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## Beijing Will Seek Hong Kong Rule, Leader Confirms

Compiled by Our Staff From Dispatches  
**BEIJING** — Prime Minister Zhao Ziyang said Thursday that China intends eventually to reassert its sovereignty over Hong Kong, but that it would maintain the territory's prosperity and stability.

Later in the day, Prime Minister Zhao said that China would not have to worry about the future of Hong Kong. He said that the British and Chinese governments had agreed on the importance of the issue. They added that the questions of sovereignty and the administration of the colony were covered during the talks, but that details could not be made public.

"We don't propose to negotiate through the press," a British official said.

Mr. Zhao's statement did little, at least immediately, to calm the Hong Kong stock market, which has been jittery over the uncertainty about the colony's future. The market opened firm but its Hang Seng index later dropped 25.73 points to close at 1,096.12.

Britain governs most of Hong Kong's territory under a 99-year lease that expires in 1997. The rest of the colony, including Hong Kong Island, was ceded in perpetuity to Britain after China lost the Opium Wars in the last century.

Although the Chinese regard all their 19th century treaties with Britain and other states as unequal and, therefore, invalid, political analysts here said that it appeared that the British would try to work out a formula that would permit Britain to continue its administration for a period after 1997 in exchange for conceding the principle of sovereignty.

British officials said that while Mrs. Thatcher hopes to make progress on the Hong Kong issue during the visit, no final formula is expected. One source said that the essential thing was to open up a dialogue.

British officials said that Mrs. Thatcher was invited to speak first at Thursday's meeting and that she spent about 30 minutes setting out Britain's position on Hong Kong.

Mr. Zhao, who spent a similar amount of time giving China's views on the colony and the two leaders then discussed Hong Kong in detail for an hour.

They then took up other bilateral issues, mainly the development of trade.

Trade unions denounced the proposals as unacceptable.

This debate is mirrored in the present political talks aimed at forming a new coalition government, following general elections earlier this month.

The center-right Christian Democratic Appeal, the senior partner in the caretaker coalition that drafted the proposals, say they should form the basic policy of a new government. The rightist Liberal Party agrees that tough policies of savings and wage restraint should be carried through, and the Labor Party wants to ensure that any savings should not harm employment.

The generally expected outcome of the negotiations is a Christian Democrat-Liberal coalition. If the two parties carry out their economic strategy, it will mark a turning point in the management of the Dutch economy.

Boosted by its natural-gas sales, the Netherlands has developed over the past 20 years a social security system that is almost unrivaled in its generosity.

But the result has been an ever-increasing mountain of claims that have gobbed up a rising share of national income. Recently, economic recession has driven up payments while making the system even harder to finance.

Other new measures included a freeze of civil servants' salaries intended to set a trend for private industry.

But the government forecast that despite the budget savings, the record Dutch budget deficit will be even larger next year and the number of unemployed will rise to 430,000 from a current 390,000, or 13 percent of the work force.

The proposals, described by newspapers as the gloomiest heard in the Netherlands, immediately sparked a national dispute over whether savings to restore government finances or measures to boost employment should have priority.

While the business and financial community said that even greater savings were needed in the future.



The outgoing president of Lebanon, Elias Sarkis, right, helped his successor, Amin Gemayel, put on the formal sash of office Thursday. At their left was Khalil Haddad, government protocol aide.



Beirut residents were in panic after an arms storage dump in East Beirut exploded Thursday.

## Gemayel Takes Oath, Vows Army Buildup; Peace Force Delayed

Compiled by Our Staff From Dispatches  
**BEIRUT** — Amin Gemayel, a moderate politician from the rightist Christian Phalange Party, was sworn in as the seventh president of Lebanon on Thursday. He pledged to seek a withdrawal of all foreign troops from the politically splintered and war-devastated country.

Mr. Gemayel took the oath of office as the first of a multinational peacekeeping force headed for the Israeli-occupied capital to shield Palestinian refugees.

A spokesman for the French Embassy said, however, that the arrival of 350 French paratroopers, the first detachment of the three-nation peacekeeping force, was postponed from Thursday until Friday morning at the request of Mr. Gemayel.

It said that before the landing, Mr. Gemayel was to preside over a meeting of representatives of the United States, France and Italy, the three countries sending troops.

Western diplomatic sources told Reuters that no written agreement on deployment of the 3,000-man force had been concluded between Lebanon and the three countries.

More important, they said, the Israelis had not given what the Western powers considered to be a firm commitment to withdraw from West Beirut. Despite several Israeli statements to news media that its troops were the process of pulling out, they were visible in Beirut's port area Thursday evening.

A military spokesman in Beirut said that Israel planned to have all its troops out of West Beirut by Sunday. But he added that some Israeli liaison officers would remain in the capital's Moslem sector after Sunday to "coordinate" with the Lebanese Army the work of removing seized weapons and military supplies.

Habib Goes to Israel  
In Washington, the State Department said that Philip C. Habib, the special U.S. envoy, and Morris Draper, his deputy during the negotiations that led to the withdrawal of Palestinian and Syrian forces from the Israeli-occupied city this summer, had traveled to Israel to try to work out arrangements for the withdrawal of Israeli troops from all of Beirut.

Mr. Habib traveled to Israel

## 2 Israeli Soldiers Say They Reported Killings

Compiled by Our Staff From Dispatches  
**TEL AVIV** — A respected Tel Aviv newspaper quoted two Israeli soldiers Thursday who were stationed near the Chatila refugee camp in Beirut as saying that they suspected Palestinians were being massacred but were told by their superiors, "It's all right, don't worry."

The newspaper, Ha'aretz, said its reporter was approached by the soldiers outside the camp and was

Chancellor Kreisky of Austria says a defeat of the Begin government would not change Israel. Page 2.

against Prime Minister Menachem Begin's refusal to set up an independent inquiry into the conduct of his government and army during the slaughter.

Defense Minister Ariel Sharon, facing cries of "Sharon, murderer" and "Sharon, monster," promised that the massacre would be fully investigated, United Press International reported. "If we arrived, if we reasoned wrong, we will not hide anything," he said after being taunted by hecklers.

Chanting "Begin resign," about 3,000 people marched on his home in Jerusalem. The demonstrators, organized by the Peace Now movement, were stopped by police about 150 yards (135 meters) from the home.

The Israeli press was filled with advertisements for or against an inquiry. Ha'aretz carried 20 ads, 16 of them favoring an investigation.

Meanwhile, a Foreign Ministry spokesman said that Egypt informed Israel on Thursday that it would continue all its diplomatic and consular activities with Israel.

Egypt's ambassador to Israel, Saad Murtada, was recalled to Cairo on Monday as a protest of the massacre. Egypt is the only Arab nation with which Israel has diplomatic relations.

The Foreign Ministry spokesman told Mr. Murtada was expected to return to Israel, "though it is not known how long his commitments in Cairo will last."

In its story about the massacre, the newspaper said Lebanese Army medical teams backed up the two Israeli soldiers' testimony. It reported that members of the teams said survivors had told them they had informed Israeli soldiers, stationed north and west of the camp, about the massacre Thursday evening.

Mr. Sharon told the Knesset, or parliament, on Wednesday that it was not until 11 A.M. Friday that a senior officer raised concerns that the Christian Phalange attacked the camp. He said that the Phalange had been in the area since the beginning of the invasion with the intent to flush out Palestinian guerrillas, was turning into a slaughter of innocent people.

■ Panel Calls for Probe  
In Brussels, the political affairs committee of the European Parliament called Thursday for an international inquiry into the massacre, Reuters reported. The committee adopted a resolution accusing Israel of being political and moral responsible.

The committee also proposed that the Parliament send an information-gathering delegation to the Middle East.

■ Colombia Mission Attacked  
In Bogota, men firing from two speeding cars riddled the Israeli ambassador's residence with sub-machine-gun fire and threw a bomb at the front of the house. The Associated Press quoted police as saying.

## New Dutch Budget Likely to Bring Social Austerity, Political Turmoil

By Peter Calvert  
**AMSTERDAM** — With a government in transition and with its finances in crisis, the Netherlands is facing a harsh economic future.

This week, a caretaker administration proposed a budget that includes major cuts in the country's welfare and social security system as a first step toward economic recovery. The government said that social security reductions would provide most of the 13 billion (4.4 billion) of savings needed in the next year.

Other new measures included a freeze of civil servants' salaries intended to set a trend for private industry.

But the government forecast that despite the budget savings, the record Dutch budget deficit will be even larger next year and the number of unemployed will rise to 430,000 from a current 390,000, or 13 percent of the work force.

The proposals, described by newspapers as the gloomiest heard in the Netherlands, immediately sparked a national dispute over whether savings to restore government finances or measures to boost employment should have priority.

While the business and financial community said that even greater savings were needed in the future.

### INSIDE

■ U.S. voters' concerns are dominated by economic issues, and polls are turning up the support for President Ronald Reagan's working control of the House of Representatives. Page 3.

■ Allied Corp. delayed its plan to try to buy Bendix after the company bought 44 percent of Bendix's shares early Thursday. The three companies were holding talks to try to sort out their tangled takeover battle. Page 11.

■ Brazilian elections, the first free nationwide vote in 20 years, is the latest step in the country's gradual liberalization program. Page 5.

## U.S. Will Sell Bahrain Jet Fighters As the Foundation of Its Air Force

By George C. Wilson  
**WASHINGTON** — The Reagan administration, as part of an effort to strengthen ties with Arab countries and stabilize the Gulf region, intends to make the first big sale of modern U.S. weapons to Bahrain and give the kingdom an air force.

Two-seater Northrop F-5F fighters, which can be used for training as well as combat, would go to Bahrain along with four new Northrop F-5G Tigerhawk jet fighters as the major items in the \$180-million arms deal the Pentagon sent to Congress this week for review.

In addition, six pilots and 100 mechanics from Bahrain would be trained in the United States, starting in 1985, when the planes are to be delivered, to form the foundation of an air force strong enough to take on other Third World air forces. To provide additional expertise on the ground, 10 Pentagon technicians and three from Northrop would spend two years in Bahrain.

The Reagan administration has been looking for ways to shore up the kingdom ever since analysts concluded that Islamic extremists trained in Iran might have toppled Bahrain's pro-Western government if they had not been arrested last December. Bahrain, although small in territory, is rich in oil and is a regional commercial and transportation center; its position in the Gulf is considered to be of strategic importance.

Weinberger's Viewpoint  
Defense Secretary Casper W. Weinberger has been arguing ever since he took office that the United States cannot only be friends with Israel to influence policy in the Middle East but must strengthen ties with Arab states through closer military relationships.

Iran's aggressive military moves in the Gulf region have increased fears within the U.S. and Bahraini governments about new coup attempts or direct military attacks by Iranian extremists.

Pentagon planners long have been frustrated in their search for bases in or near the Gulf for the quick-reaction units designated to serve as the Rapid Deployment Force. The House this year has balked at providing the requested money to turn the Egyptian military facilities at Ras Banas on the Red Sea into a staging base for the Rapid Deployment Force.

Bahrain's airport is large enough to handle the biggest U.S. military aircraft.

Congress has 30 days to object to the arms sale. The Pentagon, in making its case to Congress, said: "Bahrain, although a small nation in the increasingly volatile Persian Gulf area, is a member of the recently created Gulf Cooperation Council and seeks a modest defense establishment within this context." The Pentagon noted that Bahrain allows the Navy to use its port.

A Leading Critic  
Representative Paul Findley, the ranking minority member of the House Foreign Affairs subcommittee on the Middle East, who has been a leading critic of administration attempts to build bases in Egypt and Somalia, took a more positive view of the Bahrain deal.

"It sounds like a good idea," the Illinois Republican said. "It might give a little pause to the Soviets if they have any ideas about flying aircraft down from Afghanistan."

The F-5G part of the deal could fall through if no customers besides Bahrain could be persuaded to buy the plane. It would not be economical to build just four F-5Gs.

However, if the F-5G is not ordered in sufficient numbers to warrant production, the Pentagon almost certainly will renew its April offer to Bahrain for the Northrop F-5E fighter-bomber, which Taiwan is to receive.

## Mexico's Powerful Army Is Expected to Remain Loyal as It Awaits New President

Rumors and Speculation Abound, but de la Madrid, Like His Predecessors, Is Generally Expected to Keep the Military on His Side

By Christopher Dickey  
**MEXICO CITY** — Mexico's army secretary has likened President José López Portillo to the nation's greatest heroes. The defense secretary has told him, "You know you will how to command."

In the weeks since Mr. López Portillo took the radical step of nationalizing Mexican banks in response to the country's economic crisis, leading military officers have come forward as loyal backers of the measure and the man who took it.

But the president has less than a week left in office. His defense minister, General Félix Galván, is expected to retire soon. President-elect Miguel de la Madrid takes power Dec. 1. The new president is expected to impose economic austerity measures that could provoke serious social unrest.

Speculation on Future  
The direction the army will follow then and the political force it may wield are the subject of growing, sometimes anxious speculation among Mexican officials, foreign diplomats and some army officers.

The strength of Mexico's military is like nothing the nation has seen for decades. But few people connected with the army take seriously the oft-circulated rumors of coup plots, at least for the moment.

"The army doesn't feel threatened at this time," said a source with close ties to the high command. "The institutions are not threatened. The presidency is not threatened. What causes the military to put its hands into the cookie jar is when the institutions are threatened."

But by the same token, Mexico's financial crisis seems to have come on so fast, Mr. López Portillo's response to it appears in some instances to have been so radical, and the prospect for respite from economic and social problems seems so remote that few observers feel confident in predicting the nation's course over the next year.

Rigidly Disciplined Forces  
The army is rigidly disciplined, the chain of command strictly linear. There is a new law in the works, moreover, that would abolish any reprieve for a soldier who disobeys an order, even if he firmly believes that order to be unconstitutional.

If the top commander stands with the president, as General Galván López is doing now, there appears little chance for insubordination, much less a revolt. But this same rigid structure, some Western diplomats suggest, could make any coup planned by top officers that much easier to carry out.

It is almost traditional at the end of a presidential term in Mexico for conspiracy rumors to hang thick in the air, but as each new head of state takes office he has found ways of making sure the army remains his faithful ally.

Mr. López Portillo showed a particularly shrewd sense of the way Latin armies think and work in his six years in office. But he and those before him came to power facing a less sophisticated military than he will leave behind.

Mr. López Portillo also had financial resources to devote to the armed forces that Mr. de la Madrid is not expected to have at his disposal.

Prospects for Defense Minister  
According to Mexican and Western officials with close ties to senior officers, three generals are likely candidates to be defense minister, the military pinnacle. The most prominent contender is General Juan Arvelo Garduqui, who led the recent parade as commander of the First Military Zone, which includes Mexico City.

General Alonso Aguirre, director of military industries, has had an influential role in the attempts to modernize the army and is considered by some diplomats to be particularly friendly to the United States.

But General Victor Manuel Ruiz Pérez, commander of the cavalry, may have the inside track on the basis of a winning personality and family connections. One brother is Mr. de la Madrid's physician, while another is attached to the Mexican Embassy in London, according to diplomatic sources.

From the end of the revolution in 1917 until 1946, Mexico was dominated by military men. But the 1950s and 1960s saw a steady deterioration in military prestige, armament and training. For more than 30 years, the armed forces were at the edge rather than at the center of political life.

Mr. López Portillo, with money fresh from the oil fields, began to change that when he came to power in 1976. The quality of military education improved, salaries grew.

Gained Prestige  
The armed forces, once dismissed as ineffective, or dismissed for their part in removing dissidents, have gained prestige and popularity for their rescue work during natural disasters and the ongoing war against marijuana and heroin poppy growers.

But if today's economic problems greatly aggravate Mexico's already tense social and political pressures, "the situation could be very volatile," according to a source close to the Mexican high command.

## France Decries Economy Drive By Civil Service

United Press International  
**PARIS** — Laurent Fabius, the French budget minister, ordered an economy drive Thursday by the country's civil service. The provisions range from a ban on travel in first class by civil servants to a sharp reduction in the fleet of official automobiles.

Mr. Fabius said the measures would save 2 billion francs (\$280 million) a year and that they were only the first in a drive to do away with unnecessary expenses. There are 2.6 million civil servants in France.

The minister also said he had closed a number of near-fictional government-subsidized organizations whose usefulness he described as nonexistent.



## Free Democrats Force Genscher Into Talks on Move Against Schmidt

**BONN** — Leaders of the Free Democratic Party, which holds the balance of power in West Germany's political crisis, bowed Thursday to mounting party criticism of a plan to ouster Chancellor Helmut Schmidt and called a special national convention for mid-October.

But Hans-Dietrich Genscher, the leader of the Free Democrats, vowed to stick to a timetable agreed upon Monday with two conservative leaders, Helmut Kohl and Franz-Josef Strauss, to try to form a new center-right government to unseat Mr. Schmidt in a parliamentary vote of no-confidence Oct. 1.

A party spokesman, Herbert Schmelling, said that a meeting of the Free Democrats' president, comprising Mr. Genscher and 10 other party leaders, decided that the special convention, demanded by four state caucuses, would be held Oct. 16 in Düsseldorf.

The caucuses demanded that the convention discuss what party critics call the autocratic way in which Mr. Genscher pulled out of Mr. Schmidt's coalition last Friday and decided to form a coalition with the two conservative groupings, Mr. Kohl's Christian Democratic Union and its Bavarian sister party, the Christian Social Union, led by Mr. Strauss.

The Free Democratic leader never had a mandate from the par-

ty's 53 parliamentary deputies to desert Mr. Schmidt. One of the deputies, Helga Schuchardt, has since claimed that a majority of her colleagues supported continuation of the 13-year alliance with the chancellor's Social Democrats.

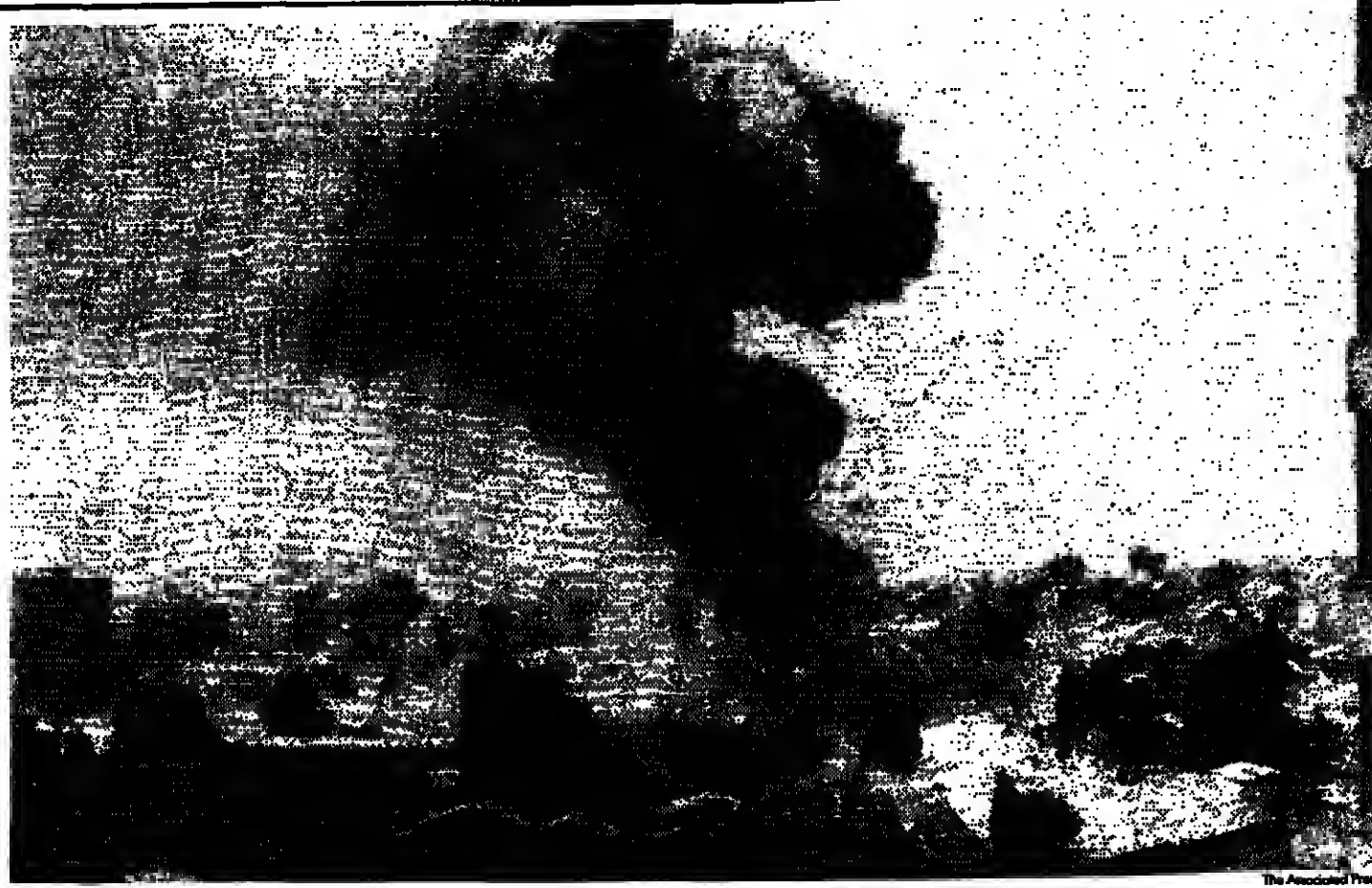
Miss Schuchardt was one of about 20 Free Democratic deputies who met Thursday to discuss their approach to the crisis in their party and the possible change in government. The Free Democrats hit an all-time low of 2.3 percent in opinion polls published Wednesday.

The mounting criticism of Mr. Genscher threatened to wreck a timetable agreed to by the opposition Monday to hammer out a coalition agreement.

Talks between the conservatives and liberals on economic policy of a new coalition government made what Mr. Kohl called "a good deal" of progress.

Meanwhile, Mr. Schmidt said in an article in the newspaper Bild, released Thursday, that 8 in 10 West Germans wanted new elections "as soon as possible" and challenged Mr. Kohl, who would be his likely successor, to face the electorate. This has been rejected by Mr. Kohl and Mr. Genscher.

If the no-confidence motion is to succeed, Mr. Kohl needs at least 23 of the 53 Free Democratic votes and all 226 from his own conservatives to get a majority of 249 to unseat Mr. Schmidt.



The explosion of an arms storage dump in East Beirut rocked the city Thursday and injured several people.

## Gemayel Takes Office

(Continued from Page 1)

bloody violence on Lebanon's soil.

He pledged to build the Lebanese Army into a force "capable of repulsing transgressions against the nation or encroachments against the law."

He said, "The wars of others in Lebanon and at Lebanon's expense must stop. This will be accomplished by a strong, independent, sovereign state capable of safeguarding public freedoms and bringing about a withdrawal of all foreign armies from the entire soil of the homeland."

Syrian forces and Palestinian guerrillas control Lebanon's eastern Bekaa Valley and large sections of the north, while Israeli forces control the rest of the country.

After the swearing-in ceremony, parliament adjourned and Mr. Gemayel, a Maronite Christian, drove to the presidential palace in suburban Baabda flanked by Prime Minister Shafiq al-Wazzan, a Sunni Moslem, and the parliament speaker, Kamel al-Assad, a Shiite Moslem.

Two hours before Mr. Gemayel took office, an explosion gutted a huge ammunition dump in East

Beirut where the Lebanese Army had stored heaps of Soviet-made rockets confiscated from Palestine Liberation Organization centers in West Beirut, Lebanon's prosecutor general, Assad Germanos, announced.

The Defense Ministry said the explosion was caused by the accidental detonation of a shell. One soldier reportedly died, and Christian radio stations named 38 injured persons.

### Units Reportedly Known

Military sources in Beirut told the Los Angeles Times that Israel and the Lebanese government — and presumably the U.S. government — know what unit of the Lebanese Forces, the 20,000-man Christian Phalangist militia, committed the massacre at the two Palestinian camps and who the commanding officer was.

The identity of the unit, they said, has not been made public, and may never be, for two reasons. First, it could upset the delicate reconciliation worked out between the Christian and Moslem communities that produced the election of Mr. Gemayel, and second, no one is willing to make any arrests for fear of setting off another round of bloodshed.



The U.S. special envoy, Philip C. Habib, is guarded as he leaves the inauguration ceremony of Amin Gemayel in Beirut.

## Beirut Peace Force May Face Greater Threat

By Drew Middleton

New York Times Service

**NEW YORK** — The force of U.S., French and Italian troops taking up peacekeeping duties in Beirut face far more complicated and hazardous military problems than those encountered by the units that supervised the withdrawal of the Palestine Liberation Organization forces, according to U.S. and NATO military analysts.

The officials emphasized that the changed conditions in the city could require a larger force than that now contemplated.

Among conditions cited that argue against a short and relatively peaceful operation include possible remnants of the original PLO forces in and around Beirut, hundreds of PLO combat personnel in northern Lebanon, strong guerrilla forces across the "porous" Syrian frontier and Syrian forces in the Bekaa Valley.

Analysis in the United States and at North Atlantic Treaty Organization headquarters in Brussels seriously question the capacity of the regular Lebanese forces to

contain the Phalangist Christian militia, various Moslem militias and to block revival of PLO activity.

The Lebanese Army has a nominal strength of 22,500 men, but casualties in the civil strife of the last decade and defections to pri-

### NEWS ANALYSIS

vate armies have sharply reduced its manpower. In the words of a recent Western military assessment, the army is "ill-led and ill-armed and has had almost no training adequate for the task of establishing internal security in the country."

There has also been a change in the attitudes of the PLO and other military groups in and near Lebanon, many sources said. When the armed guerrillas completed their withdrawal on Sept. 1, most of their heavy weapons had been destroyed by Israeli shelling and bombing and the rudimentary communications system between units had been shattered.

The consensus among military

analysts is that the PLO forces that withdrew into Syria have been retrained to some extent. These sources also said that the Israelis were correct in reporting that mortars, heavy machine guns, mines and ammunition stocks had been hidden in and around Beirut.

One conclusion being drawn from these changed conditions is that once the Israeli Army withdraws, the PLO will resume operations, primarily against the Phalangists. Such action, it is feared, could involve the international peacekeeping force.

European analysts tend to take a less optimistic view of the future of that force, particularly the U.S. contingent of a Marine Corps battalion. They point out that the Americans will be prime targets for PLO snipers, if only because the United States is recognized by the guerrillas as Israel's armorer and pyrameter and therefore largely responsible for the defeats suffered in the fighting against the Israelis.

To many military planners the

conditions argue for a larger force than the one that is envisaged. The force, according to Pentagon sources, will be made up of the Marine Corps battalion and expanded contingents from the French Foreign Legion and from elite Italian infantry units. This would amount to a force of about 3,000 men.

The expectation is that all the units will be much more heavily armed for their second posting in Lebanon. One essential requirement will be armored personnel carriers. Another will be more sophisticated communications among the three units.

But even an ample supply of heavy weapons is unlikely to balance shortages in manpower.

Planners, as they must, ponder such scenarios as a revival of PLO militancy in the north, raids across the Syrian border by small groups of well-armed guerrillas, or even a mutiny in the Lebanese Army which traditionally has had a high percentage of Christian officers with Moslems constituting most of the rank and file.

## Israeli Policy Change Unlikely, Kreisky Says

By Charles Mitchellmore

International Herald Tribune

**VIENNA** — Chancellor Bruno Kreisky, terming Israel "a semi-fascist state," said Thursday that it was futile to hope that its Middle East policy would change if the Begin government were defeated.

The Austrian leader said in an interview that there was no reason to believe that the opposition Labor Party would make any difference if it came to power.

"The Labor Party is a broken party," Mr. Kreisky said. "At the moment in Israel I see no political alternative."

He added: "There can naturally be a political renaissance, but I will go so far as to say that the 'other Israel' is almost as weak as the 'other Germany' was" under the Nazi regime.

Mr. Kreisky said he was nonetheless opposed to attempts to isolate Israel by expelling it from the United Nations or, as is being considered at the conference here this week of the International Atomic Energy Agency, suspending it.

Speaking in a tone of obvious

pessimism throughout the interview, Mr. Kreisky said that the only hope he saw in the Middle East crisis was a change of public opinion in the United States, "where up to only recently it was always a case of operating on the principle of 'right or wrong, our friend.'"

He said it was important that American opinion be unequivocal "because 'if American opinion changes, I think that is the only hope for changing Israeli opinion.'"

But at the same time Mr. Kreisky said he was very skeptical about the chances for any turn in

### Accident Kills U.S. Soldier

The Associated Press

**KARSBACH**, West Germany — A U.S. soldier died in Army maneuvers when the truck he was riding in ran off the road while passing and overturned near here, the U.S. Army announced Thursday. Three other soldiers were injured Wednesday evening in the accident about 30 kilometers (19 miles) north of Wuerzburg, the army said.

opinion in Israel, and he added that he was convinced that Prime Minister Menachem Begin would sweep elections if they were held tomorrow.

He said the change in Israel's population over the past two decades as a result of greater immigration from Arab and African countries had made it "another state" that was difficult for Western democracies to identify with.

Although he did not say so directly, Mr. Kreisky made it clear that he believed that the Israeli Army bore the overall responsibility for last week's massacre in Lebanon.

"No one can deny that the Israeli Army is very efficient," he said, adding that "if an army is very efficient, that just cannot happen — and we know what happened."

Austria has called on the United Nations to set up an independent international inquiry into the refugee camp massacre, and Mr. Kreisky said he believed that the Begin government would cooperate with such an investigation because not to do so would be even more dam-

aging to Israel's standing in the world.

Mr. Kreisky also reiterated his belief in the importance of U.S. recognition of the Palestine Liberation Organization, a move that he has tried to promote personally.

He recalled that he had approached Presidents Gerald R. Ford, Richard M. Nixon and Jimmy Carter as well as Mr. Carter's secretary of state, Cyrus M. Vance, in attempting to arrange contacts with the PLO, and he said he had found "some understanding," especially with Mr. Nixon and Mr. Carter.

Now that President Ronald Reagan "has recognized the significance of his problem," he said "we can only support him, knowing that it is very late, very late indeed."

But, he added, "There just is no other policy than the Reagan policy."

Mr. Kreisky, repeating what he wrote recently in the West German magazine Stern, said he had long since ceased to consider himself a mediator in the Middle East. That is a role he claims to have taken upon himself 20 years ago, when, out of office, he urged the Socialist International to look at the Palestinian side of the problem as well as listening to Israel's prime minister, Golda Meir, of the Labor Party.

He said that when he again sees the PLO's leader, Yasser Arafat, who was due to visit him in Vienna this month until "scheduling difficulties" intervened, he will urge him to keep the Palestinians from returning to terrorism, now that they are scattered after the siege of Beirut.

"But that will be very difficult for them," he conceded. "Very difficult, but absolutely important."

## British Miners' Union Rejects Offer

**LONDON** — The focus of the British trade unions' battle with the Conservative government switched Thursday from the health workers to the miners, whose leaders rejected an improved pay offer and set the scene for a winter showdown.

The miners issued their challenge as union leaders met to consider further shoves to push the pay claims of 600,000 health workers after widespread strikes and protests Wednesday.

The miners' leaders, demanding a pay increase of 31 percent, dismissed as "wholly inadequate" what they said was a 7.2-percent offer from the state-run National Coal Board, the board said the offer was worth 8.2 percent. The union leaders decided to call a conference of delegates for Oct. 4 to recommend rejecting the offer and holding a ballot to authorize strike action if necessary.

## Senate Blocks Helms Prayer Bid

**WASHINGTON** — The Senate dealt Senator Jesse Helms, Republican of North Carolina, a procedural blow Thursday that signaled the almost certain defeat of his campaign to push through school-prayer legislation this year.

The Senate voted 51-48 to table, and thus kill, a proposal regarded as offering Senator Helms the best chance he had to get a record vote on the prayer issue.

The proposal would have sent back to the Finance Committee the debt-ceiling bill to which several amendments were attached. The committee would have been instructed to recycle the bill and return it for final action with all but the prayer amendment removed.

## U.S. Railroads Returning to Normal

**WASHINGTON** — With the four-day nationwide railroad strike halted by an act of Congress, freight and passenger trains began returning to normal Thursday.

The 26,000 members of the Brotherhood of Locomotive Engineers yielded to the congressionally mandated settlement signed by President Ronald Reagan on Wednesday afternoon, ending a strike against 117 railroads. Conrail, the federally subsidized network in the Northeast, was unaffected because it had a separate union agreement.

The administration said the walkout cost nearly \$1 billion a day, forced a half-million layoffs, stranded thousands of commuters and slowed to a trickle the delivery of such cargo as crops and coal. Several automobile plants were severely affected and had to reduce production or close.

## Vietnam Proposes Vacant UN Seat

**BANGKOK** — Vietnam renewed its annual call for expulsion of Cambodia's Khmer Rouge regime from the United Nations on Thursday, but said the rival government it supports in Phnom Penh is prepared to leave the UN seat vacant.

Vietnamese troops overthrew the regime of Pol Pot in late 1978, but his Khmer Rouge, who are now part of a broad coalition government in exile, are supported at the United Nations by a large majority. The body began its 37th session Tuesday with Prince Norodom Sihanouk, president of the coalition, as Cambodia's chief delegate.

The official Radio Hanoi said Thursday that seating of the Vietnamese-backed Cambodian regime would be legitimate but that, out of goodwill, the regime was not demanding the seat for the time being.

## Palace Intruder Acquitted of Theft

**LONDON** — Michael Fagan, who evaded royal security to get into Queen Elizabeth II's bedchamber July 9, was acquitted Thursday on a charge of theft from an earlier break-in. Mr. Fagan had been accused of drinking about one-third of a bottle of wine on June 7 in Buckingham Palace.

The jury of seven men and five women took 14 minutes to decide that Mr. Fagan, 30, was innocent after a five-hour trial. A conviction would have meant a fine.

But Judge James Miskin brought two more indictments against Mr. Fagan — taking a car in London on June 16 without the owner's consent, and assaulting a man June 26, doing bodily harm. Mr. Fagan pleaded guilty to taking the car, but not guilty to the assault charge. Judge Miskin ordered him held until a new trial Oct. 4.

## Soviet Marshal Warns on Arms Race

**MOSCOW** — Marshal Viktor Kulikov, commander of the Warsaw Pact, warned Thursday that the Soviet Union would match any buildup in U.S. military strength.

In an interview with the Novosti press agency, he said the United States was aiming for military superiority and trying to win public backing for a major arms buildup.

"But it is quite obvious that no one can upset the existing military-strategic balance and sustain superiority in present-day conditions," the marshal said. "Those who are nurturing such plans are clearly exaggerating their capabilities and losing sight of the other side's potential, which will not stay passive in the face of military preparations directed against it."

## U.K. Social Democrats Elect Williams

**LONDON** — Shirley Williams, a founder of the Social Democratic Party, was elected to the party's No. 2 position Thursday by an overwhelming majority.

Mrs. Williams, 52, a former Labor Party minister of education, was elected with 19,006 votes, or 65.8 percent of the vote, according to results of postal balloting announced by party officials. William Rodgers, Mrs. Williams' nearest rival and another founding member, received 5,584 votes, or 19.4 percent.

Roy Jenkins was elected the party's leader in July over former Foreign Secretary David Owen. Mr. Jenkins and Mr. Owen are also founding members of the party, which was formed in March 1981 in reaction to the leftward trend of the Labor Party.

## Afghan Leader Names Defense Aide

**NEW DELHI** — President Babrak Karmal of Afghanistan appointed General Abdul Qader, a hero of the 1973 and 1978 coups, as defense minister Thursday, Kabul radio reported.

General Qader replaced General Mohammad Rafi, who has been criticized by Mr. Karmal's supporters for weak leadership and an inability to check the Afghan insurgency against the Soviet-backed government. The broadcast said General Rafi was appointed deputy prime minister; a largely ceremonial post.

Mr. Karmal also named a close aide, Sarwar Mangal, as minister of higher and vocational education, according to the newscast monitored here. Last week, Mr. Karmal dismissed the education minister, Puhmal Ghalad, and the information and culture minister, Abdul Majid Sarbuland. Both were retained as deputy prime ministers.

Compiled From Agency Dispatches

## Draft of Constitution Is Approved in Turkey

Reuters

**ANKARA** — Turkey's military-appointed National Consultative Assembly approved a draft constitution Thursday and agreed that a national referendum on the document should be held Nov. 7.

The charter, which was heavily criticized inside and outside the assembly for being potentially repressive and investing excessive power in an executive presidency, goes now to the ruling five-man National Security Council for ratification.

The council is made up of the five generals who took power two years ago in a bloodless coup.

Assembly members voted 120-7 in favor of the draft, with 12 abstentions, after a debate lasting nearly two months. The delegates passed several amendments to the original draft drawn up by a Constitutional Commission, but the central features of the draft remained intact.

The draft envisages a president elected to a seven-year term by a one-house parliament, itself elected for five years by universal suffrage.

It contains a temporary clause under which the head of state, General Kenan Evren, will be elected automatically as the first president if the constitution is approved in the referendum.

Under the draft, communist, fascist, and fundamentalist religious parties will be banned and tight restrictions imposed on trade unions. There are also broad provisions for curbing individual and press freedoms to protect the integrity of the state.

Amendments passed by the assembly included a clause saying the prime minister, who is to be appointed by the president, must be a member of parliament.

The assembly rephrased a clause that apparently would have empowered the president to dismiss the prime minister; the delegates made it clear that the head of state would accept a prime minister's resignation.

It voted that recommendations of a new national security council, a sort of inner cabinet chaired by the president, should not be compulsory on the cabinet as envisaged in the original draft.

The document will replace the liberal 1961 constitution abolished by the generals.

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## Economy Is Top Issue In U.S. Survey Giving Democrats a Big Edge

By Adam Clymer  
New York Times Service

NEW YORK — With six weeks until the elections, economic concerns rather than social issues dominate voting intentions, and Democrats are preferred over Republicans in congressional races by a wide margin, the latest New York Times-CBS News poll shows.

The Democratic edge appears big enough, if it lasts until Nov. 2, and President Ronald Reagan's working control of the House of Representatives.

The Republican campaign strategy, the quality of individual campaigns, foreign crises or a run of good economic news could alter the picture reflected last week in the poll of 1,305 registered voters.

But the survey showed that 54 percent of those surveyed supported or leaned toward Democrats in the congressional elections and 38 percent sided with Republicans.

Critical views of Mr. Reagan and his party on the economy dominated the poll's findings. Among registered voters, 61 percent said they would trust Congress more on handling the economy than they would the president. Twenty-nine percent preferred Mr. Reagan.

**Prices and Unemployment**

Two-thirds of the public continues to feel that prices are going up as fast as or faster than they were a year ago, despite Republican arguments that the rate of inflation has been cut.

Mr. Reagan's party continues to be regarded as much less effective than the Democrats in coping with unemployment, providing a fair midjet or making the right decisions on Social Security.

Converting national vote totals into aggregates for the 435 House seats said they would be done precisely, but such a margin would probably mean a Democratic gain of nearly 40 seats, party leaders said.

The House now has 241 Democrats and 192 Republicans, with two Democratic seats vacant, but the Reagan administration has won many key roll calls by fewer than two dozen votes, with near unanimous support from Republicans.

Republicans appeared to be in particular trouble where they count most on winning, in districts in which Republican incumbents are running. Among respondents to the poll in Republican districts, Democrats were preferred, 47 percent to 43 percent. In 1980, Republicans who won contested races averaged 65 percent of the votes in their districts.

Democrats held a lead of 60 percent to 32 percent in Democratic districts, a ratio like their average share of 67 percent in the districts their party won in 1980. In the 58 "open" districts, those with no incumbent candidate, the responses

divided almost equally, 47 percent Republican and 45 percent Democratic.

The Republican districts, while more approving of Mr. Reagan's presidency than is the rest of the nation, still had more Democrats than Republicans. The poll suggested that Democrats in those districts who defected to Mr. Reagan's party in the 1980 election were coming back to their party, perhaps because of this year's recession.

**Republican Advantages**

Nevertheless, Representative Gary Vander Jagt of Michigan, chairman of the National Republican Congressional Committee, said he was not disturbed.

He said the advantages of campaign money and incumbency, which have enabled all Republican congressional incumbents except one to avoid defeat in primaries this year, could be used by those Republican members to overcome abstract preferences for Democrats.

He said Republican gains had to come in the open seats, and thus the finding that the parties were even in that area was "overwhelmingly good news."

Patrick H. Caddell, a top Democratic poll-taker, disagreed, saying many Republican seats were loosely held.

"You lose elections when the election is fought on your own base," said the man who was President Jimmy Carter's poll-taker in 1980, and in a lot of those blue-collar Democratic seats they won in 1980 the Republican base is very small.

On many major national issues, the poll indicated little change in public opinion during the summer, with 42 percent of all 1,664 respondents, registered and unregistered, saying they approved Mr. Reagan's handling of his job. In the May Times-CBS News poll, 43 percent approved.

**Women's Preferences**

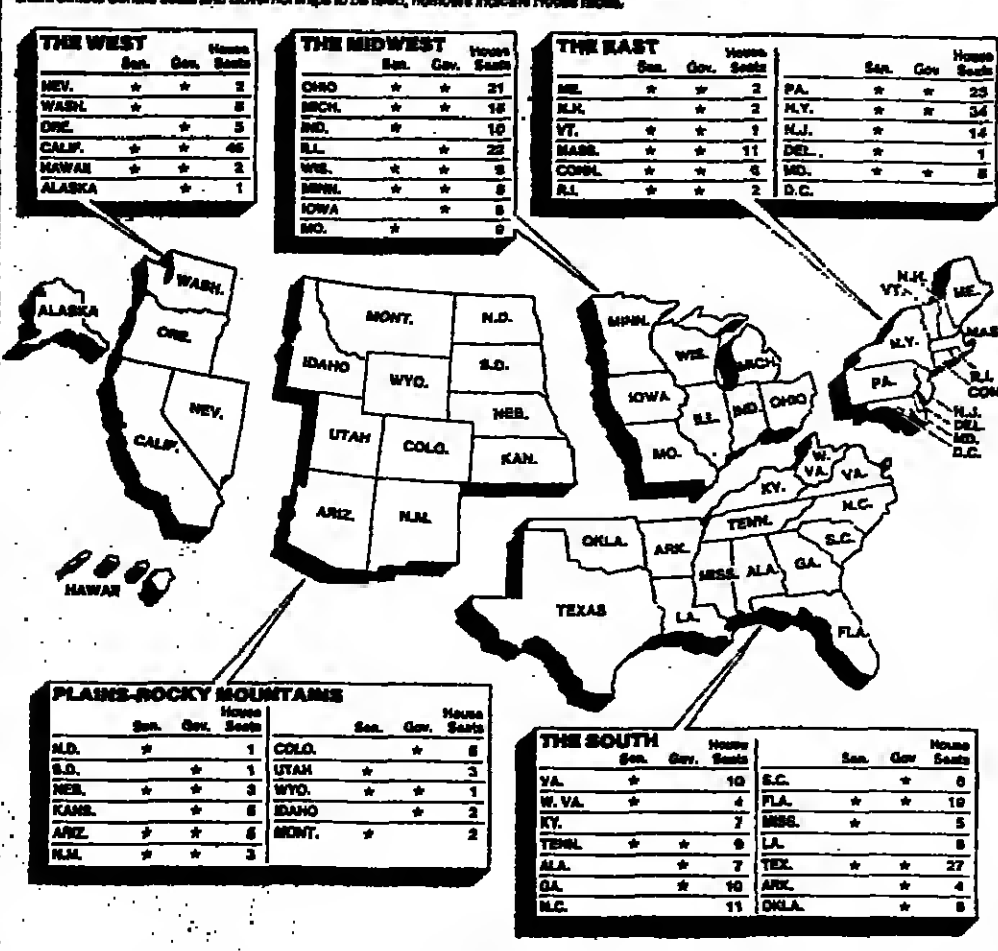
The president's standing among women improved, as the fear of Mr. Reagan as a leader who might involve the country in a war subsided, while his standing among men worsened.

On the question of their congressional vote, women preferred Democrats over Republicans, 55 percent to 36 percent, and men backed them but more narrowly, 53 percent to 40 percent.

When opinions on those issues were correlated with voting preferences, it was clear that economic issues were pivotal.

When asked, "Whether or not you agree with him, do you think Ronald Reagan has kept his promise to govern as a conservative?" 59 percent of self-styled conservatives said "yes." Fifty-five percent of the public as a whole did so, too.

## A 1982 Political Portrait of the U.S.: Seats Up for Election in Each State



## 'Bold' Steps by Democrats in U.S. Are Lacking in New Policy Papers

By Margot Hornblower  
Washington Post Service

WASHINGTON — House Democrats this week issued position papers on national security, crime, housing, the environment, women's economic issues and small business, sequels to a paper issued last week on economic policy. But there was little in the generally worded reports to stir controversy in this election season.

"For two years now, political experts have said that the Democrats are not sending a clear message to the American people," said Representative Willis W. Long of Louisiana, chairman of the House Democratic Caucus, whose task force wrote the statements after 20 months of study.

"These policy statements lay those charges to rest," he said. "They show the American people... where we differ from the Republicans."

While Mr. Long said the papers were "the first step in fashioning a bold, new policy direction for our party and our country," there were few, if any, startling ideas in the reports. They called for:

- Increasing U.S. defense spending, with no percentages or figures given.
- Increasing the amount that European countries and Japan contribute to the defense alliance, with no mention made of proposals to exercise leverage on allies by cutting back U.S. troops stationed abroad.
- Requiring penalties for federal crimes committed with firearms and attacking organized crime by allowing federal agents to deal with contract murder and interstate fencing and transportation of stolen property.
- Subsidizing the housing industry through home-ownership assistance, emergency mortgage protection and expanded credit.
- Requiring the Environmental Protection Agency to evaluate the safety of new chemicals promptly, and to enforce the Clean Air and Clean Water Acts effectively.
- Changing Social Security laws to allow women to get a "fair share" of retirement benefits.

The six reports, included in a 135-page document titled "Rebuilding the Road to Opportunity," followed the release Sunday of the caucus' "long-term economic policy" paper, which called for a broad program of tax changes, rebuilding the transportation network in the United States and redirecting the economy toward high-technology industry.

The national security paper calls for "a top-to-bottom assessment of defense needs," with a view toward restructuring the military establishment. It criticizes President Ronald Reagan for failing to curb nuclear proliferation, for opposing a comprehensive test-ban treaty and for selling advanced weaponry to "avowed enemies of Israel."

The document avoids the topic of abortion, the most controversial of women's issues. It advocates adequate funding for maternal and child health programs.

## U.S. Reviews Approval Of Drug Tied to Deaths

By Morton Mintz  
Washington Post Service

WASHINGTON — Three months before Eli Lilly & Co. won government approval to sell Orlax in the United States, a British subsidiary of the company reported to the British health authorities an eighth death related to the arthritis drug.

The U.S. Food and Drug Administration was not informed of any fatalities before allowing Lilly to market the medicine April 16, according to the commissioner of food and drugs, Arthur Hull Hayes Jr. The drug was designed to reduce pain and inflammation.

Mr. Hayes said he was "carefully reviewing" the facts to see if Lilly has violated agency regulations. The rules require a manufacturer to seek and report all pertinent information on the safety and effectiveness of a drug awaiting marketing approval, including information derived from sales outside the United States.

According to Representative L.H. Fountain, a North Carolina Democrat, whose House Government Operations subcommittee monitors the FDA, the law "allows criminal penalties to be imposed where such information has been deliberately withheld."

**Drug Withdrawn in August**

It is not known when Lilly learned of the deaths from its British subsidiary, Distia Products Ltd., which marketed the medicine under the name Oprea beginning in October 1980. Lilly, which began selling Orlax in the United States on May 10, withdrew the drug from the market in early August.

A spokesman at Lilly's Indianapolis, Indiana, headquarters said: "Lilly policy is to comply fully with all requirements of the law and FDA regulations regarding the reporting of adverse reactions to the FDA. Beyond that, we believe it would be inappropriate to comment on this matter."

The first public knowledge of fatalities came in May and early June when the British Medical Journal reported 12 Orlax-related deaths in Britain but did not specify when they occurred.

**Recommendation for Prosecution**

At that time, the FDA had before it a nine-month-old staff recommendation for possible criminal prosecution of unidentified Lilly officials for allegedly failing to report "important adverse findings" about Orlax and three other marketed or experimental drugs. The agency said the recommendation was still pending.

By August, reports of deaths raised the British fatality toll to 61 among about 500,000 users. The British Committee on Safety of Medicines banned the drug Aug. 4, and before the day was out Lilly halted sales worldwide.

Later that month, Mr. Fountain learned from the British committee that Distia reported the eight deaths between May 1981 and January 1982 — three months before the FDA approved Orlax.

## Sir Maxwell Joseph Dies in London; Was Chairman of Grand Metropolitan

The Associated Press

LONDON — Sir Maxwell Joseph, 72, chairman of the Grand Metropolitan brewery and hotel empire, has died of cancer. A company spokesman said Sir Maxwell died at his London home Wednesday night. He said the industrialist, who underwent surgery last year, had had cancer "for some time."

In July, Sir Maxwell announced his intention to retire from Grand Metropolitan but denied that poor health figured in his decision. Grand Metropolitan is one of the largest companies in Britain, with a taxable profit last year of £186 million (\$316 million) and an estimated value on the London Stock Exchange of £1.3 billion. In August 1981 it bought the Intercontinental Hotel Corp. from Pan American Airways for £270 million.

**Ivan K. Bagramyan**  
MOSCOW (Reuters) — Marshal Ivan K. Bagramyan, 84, one of the last of the Soviet Union's major World War II commanders, died Tuesday, Radio Moscow said Wednesday. It gave no other details.

**Germaine Schmitzer**  
NEW YORK (NYT) — Germaine Schmitzer, 95, a Paris-born concert pianist who toured widely in the early decades of the century with such conductors as Wilhelm Furtwängler and Georges Enesco, died Saturday.

## House Votes Interim Bill On Spending

Proposal Sent to Senate Funds U.S. to Dec. 15

By Helen Dewar  
Washington Post Service

WASHINGTON — The House of Representatives has approved a stop-gap spending bill that would probably lead to an increase in military spending but hold the line on most domestic appropriations. The vote was 247-161.

The measure was sent to the Senate after the House defeated an effort to open it up to a series of amendments. The vote to block the amendments was an even more lopsided 281-119.

In approving the so-called continuing resolution Tuesday, the House acquiesced in President Ronald Reagan's request for a grant of interim spending authority and agreed to an expiration date of Dec. 15. The House Appropriations Committee had proposed Feb. 28 as an expiration date.

This virtually assures that Congress, as Mr. Reagan requested last week, will return after the Nov. 2 elections to continue work on its 13 regular appropriations bills.

The stop-gap measure is needed to continue spending authority for the government because Congress faces the start of a new fiscal year Oct. 1 without having enacted any appropriations bills. The House has approved only four of the 13; the Senate has approved none.

The House debate was unusually low-key in light of the sweeping nature of the measure, which could wind up financing the government for more than two months, or at least until individual bills for various agencies are approved by both houses and signed into law by the president.

The case with which the House approved the measure, with no overt opposition from the administration, also held out at least some hope that Congress could enact a spending bill that Mr. Reagan could sign without the kind of impasse that led to a one-day shutdown of the government last year.

**Trouble Spots Remain**

But Appropriations Committee sources said potential trouble spots remained, including defense spending levels.

The House-passed measure would finance most domestic programs at current levels and the Pentagon at new levels as soon as a military money bill is approved by the Appropriations Committee.

Its defense subcommittee is scheduled to work on a bill late next week, although action by the full committee is considered doubtful if Congress adjourns Oct. 1 or 2, as congressional leaders are suggesting.

The Senate Appropriations Committee, however, is expected to release a military spending bill shortly.

## Alien Amnesty Backed By U.S. House Panel

By Robert Pear  
New York Times Service

WASHINGTON — The House Judiciary Committee has approved a comprehensive revision of the U.S. immigration laws, including a ban on the employment of illegal aliens and an amnesty for several million people who have entered the country illegally.

By a voice vote, the committee recommended passage of the bill by the full House. But it was deeply divided. By a vote of 15-13, it defeated a motion to send the legislation back to the subcommittee on immigration for further work.

Just before the final vote Wednesday, Representative Romano L. Mazzoli, Democrat of Kentucky, the bill's chief sponsor, told his colleagues: "This bill is imperfect. I am the first one to say it is." But he added that it was also "fair, balanced, sensible, humane and workable."

**Senate Bill Similar**

Democratic leaders in the House said they were not sure whether there was enough time for consideration of the bill on the floor before the adjournment of Congress, scheduled for early October.

The Senate last month approved a bill that is similar in general but different in many details. If the legislation is not passed in the same form by both houses, it dies.

at the end of this Congress and the work of writing an immigration bill would have to start over again in both houses in January.

The bill approved by the House committee establishes a graduated system of penalties for employers who hire illegal aliens. The penalties range from a maximum, on the first offense, of one year in prison and a \$3,000 fine for each worker.

The committee's bill, like the Senate's, establishes a two-tier system for granting legal status. Aliens who entered the United States before Jan. 1, 1977, and have lived in the country continuously since then would be eligible for permanent resident status.

The bill would grant "temporary resident" status to those who entered the country from Jan. 1, 1977, to Jan. 1, 1980. After three years in that status, temporary residents could become permanent residents. Aliens can apply for citizenship after five years as permanent residents.

Aliens who entered the country after Jan. 1, 1980, would not be eligible for the amnesty.

The House committee approved and then revised an amendment that would have guaranteed full federal reimbursement to state and local governments of the cost of all welfare and medical assistance provided to aliens who received amnesty. The amendment was offered by Representative Don Edwards, Democrat of California.

Administration officials, including Deputy Attorney General Edward C. Schmults, persuaded several Republicans to switch their votes on the Edwards amendment, saying its costliness would in effect kill the bill.

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## El Al Shuts Down For 30 Days, Its Survival at Stake

United Press International

TEL AVIV — El Al, the Israeli national airline, has closed down for 30 days and its board of directors has threatened to dismantle the company unless major changes are made by management.

A spokesman said all employees were sent on leave Wednesday and all flights canceled. The airline suspended flights Sept. 16 after air stewards went on strike to demand the reinstatement of four of their colleagues with no conditions. The four stewards were said to have refused to serve refreshments on a flight.

But the company's problems go beyond the strike. Last year the national air carrier, which employs 5,000 workers, lost 945 million shekels (\$32.6 million). And it has been embroiled in an effort to keep flying on Saturdays and holidays despite efforts by a religious faction in the government to ground it on those days.

"If management is unable to report to the board substantial solutions and advances in 30 days, the board will consider recommending to the shareholders steps toward dismantling the company," a board statement said.

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# Marcos Seeks to Meet Amnesty International To Rebut Rights Charge

Compiled by Our Staff From Dispatches  
NEW YORK — President Ferdinand E. Marcos of the Philippines, responding to new charges that his government engages in torture and arbitrary arrests, says that he wants to meet "openly" with Amnesty International to disprove the allegations.

Mr. Marcos spoke out while opposition parties in the Philippines issued a joint statement declaring that Mr. Marcos's authoritarian rule has driven the country to the edge of disaster.

Appearing on U.S. television Wednesday during a visit to the United States, Mr. Marcos said that he is willing to meet with officials of the London-based human rights group to prove that the charges are false.

Mr. Marcos was referring to an Amnesty International report, released during his visit, charging that although martial law was lifted in the Philippines last year, government forces still engage in illegal detention, torture and murder. "Weaving his fingers and clutching a copy of the report, Mr. Marcos said, 'They never even bothered to see us.'"

"We would be happy to explain to them all the things that are happening. We have been trying to do this for a long time. Let Amnesty International come to our country openly and not secretly and not meet with the opposition or not with prepared statements without showing them in us," he said.

## 2 West Germans Killed During Search for Boy

MUNICH — Two policemen searching for the kidnappers of a 13-year-old boy were killed Thursday when their helicopter crashed and burned, police officials said. The boy was later found unharmed.

The helicopter crashed about 5 A.M. in the area near Muehlhof, in Lower Bavaria, about 60 kilometers (37 miles) east of Munich, the police said. The cause of the crash was not known.

# Japan Is Reported Ready to Expand Military Strength

TOKYO — The head of the Japanese Defense Agency, Soichiro Ito, will tell the U.S. defense secretary, Caspar W. Weinberger, that Japan is prepared to increase its military strength, Japanese newspapers reported Thursday.

The two officials are to meet in Washington on Sept. 30. The press reports said Mr. Ito will propose that the two countries begin a study on the defense of Japan's sea lanes up to 1,000 miles (1,600 kilometers) from the country's shores.

Mr. Weinberger and Mr. Ito will also discuss the sharing of military technology between the two countries and a U.S. request for expanded military facilities in Japan, the newspapers reported. Japan now bans the export of weapons and related technology.

Defense Agency officials were not available to confirm the reports, because offices were closed Thursday for a national holiday.

## 2 Terror Suspects Held in Sardinia

CAGLIARI, Sardinia — The police have announced the arrests of a man and woman suspected of trying to re-establish the Red Brigades guerrilla organization in Sardinia after a crackdown earlier this year in which about 50 suspects were rounded up.

The police identified the woman Wednesday as Caterina Spano, 25, and the man as her brother-in-law, Michele De Roma, 23, both Sardinians. They said Miss Spano was believed to be the head of the Red Brigades in Sardinia. The two declared themselves political prisoners and refused to answer questions, the police said.

The two were arrested near the Cagliari railroad station in a central square where the Red Brigades leaders Antonin Savasta and Emilia Libera were arrested in February 1980. Mr. Savasta and Mr. Libera were later freed and played leading roles in the kidnapping of a U.S. brigadier general, James L. Dozier.

# Hundreds of Refugees Seem Trapped in Japanese Camps

Unable to Assimilate, Unwilling to Settle, Indochinese 'Still Waiting to Know What to Do'

By Todd Carrel  
The Associated Press  
HIMEJI, Japan — Dong Chau, like many refugees from Vietnam, seems trapped, with little chance of resettlement in a third country and unable to assimilate in Japan, a nation that traditionally ostracizes foreigners.

His appeal to join his brother, who is in the United States, was rejected. He refuses to settle in Japan. "I'm still waiting to know what to do," he said.

Social workers with nongovernment organizations in charge of the refugees accuse the Japanese government of doing little to help the refugees and say that such inaction may be a cause of the "stagnating" atmosphere in some camps.

"Nobody has really taken re-

sponsibility for the refugees," said Minja Yang, a UN official in Tokyo. "It's a constant passing of the buck from one ministry to another. The government considers it a temporary problem, a temporary problem. But it's not."

After 20 months in Japan, Mr. Dong's temporary home is an 8-by-14-foot room (2.4 by 4.2 meters) in a camp of 100 refugees on the outskirts of Himeji, a small town 280 miles (450 kilometers) southwest of Tokyo.

He feared persecution.

Mr. Dong and his wife and four sons are among 6,100 Indochinese refugees — Vietnamese, Laotians and Cambodians — who have come in Japan by boat since 1975. They are among 2,100 who live in 29 camps scattered around central and southern Japan. The rest have

settled in other countries, mostly in the United States.

Mr. Dong, 34, and his family left Vietnam because, he said, he feared persecution since his brother worked for the U.S. armed forces there. In Saigon he was a soft-drink salesman. In Japan he does part-time construction work.

Two of his sons attend a local elementary school. The other two, age 14 and 15, languish in the camp. Mr. Dong supports his family with his earnings and with food and housing provided by the UN High Commissioner for Refugees.

The atmosphere of stagnation in camps such as Himeji has spawned several outbreaks of violence. Three untrained men at Himeji were recently arrested and jailed for three months for vandalism at the camp.

Father Harrie Quadvliet, a Catholic priest from the Netherlands, runs the "first asylum" camp at Himeji with aid from the United Nations. The Japanese Catholic organization Caritas, a few local contributions and some of the money earned by about 30 refugees who do unskilled labor part time in the town.

General Distaste  
For many, he said, resettlement is hampered by their inability to speak Japanese, their unfamiliarity with Japanese work ethics and general dislike of Japan, an insular society that he said is "not prepared to take them."

In Tokyo, Minja Yang said the problem was further aggravated by the government's slow response to the 635 or so refugees who have applied for permanent resettlement.

ment. "Now that they have made the decision, they don't hear from the government," she said. "Some have been waiting for more than a year."

About 800 refugees, disembarked by this and other problems, remain in limbo — unqualified for resettlement in a third country and unwilling to return to Indochina.

The United States has accepted more than 459,000 Indochinese refugees; Canada, 79,000; France, 74,000; West Germany, 28,000; Hong Kong, 2,500 and the Netherlands, 5,100, according to UN statistics.

## U.S. May Set Up Panel To Screen Science Data

By Philip J. Hilt  
Washington Post Service

WASHINGTON — Defense Department officials are proposing to establish a committee to screen scientific papers and prevent them from falling into Soviet hands, according to Steve Bryan, a deputy assistant secretary of defense.

Mr. Bryan says he will ask secretaries of Defense Department officials later this month to name the group, composed mostly of military officials, to screen the work of scientists working under defense contracts.

Stung by what they call a near-leak of data on a highly classified topic at a scientific meeting in August and after hearing the publication or presentation of 100 papers at the meeting, military officials say they hope to establish a regular panel to review and censor sensitive papers from scientific meetings around the country.

Mr. Bryan said he hoped such a system would avoid such things as the last-minute barrage of secrecy orders clamped on papers at the August meeting of the Society of

Photo-Optical Instrumentation Engineers.

Prescriptions proposals like Mr. Bryan's have become controversial in the past.

Hakime Sakai, a physicist at the University of Massachusetts at Amherst who had two of his papers blocked at the meeting, said "the review process is detrimental to the whole scientific effort."

Getting information to colleagues quickly "is vital for scientific progress" and halting the distribution of work "is in direct conflict" with that progress, he said.

Besides, he said, his papers were in basic atmospheric research, were not sensitive and preliminary results had long before been published in open government publications.

He does not object to government review, he said, but censorship should be limited to papers that are clearly sensitive.

There is now no coordinated monitoring of scientific meetings or papers, and Mr. Bryan said "we need to do a better job in setting

## Sobriety Clubs Suggested for Soviet Youth

MOSCOW — A Soviet newspaper proposed Thursday that temperance clubs be set up for young people to combat what was said to be a growing problem of teen-age alcoholism.

The youth newspaper Komsomolskaya Pravda blamed parents, saying they often set a bad example or allow their children to drink wine or spirits with their meals from an early age.

The paper cited Bulgaria as a model for the Soviet Union, saying that a network of temperance clubs for the young helps to keep down levels of alcohol consumption there.

up the standards and working the system right so we don't get surprised."

The proposal was triggered by the incident at the meeting of the photo-optical engineers at which the Pentagon was surprised to find that even "highly classified information" was being presented in papers to which Soviet scientists would have access.

## U.S. Is Urged to Train More Experts on Russia

By Michael Geder  
Washington Post Service

WASHINGTON — Government, military and university specialists warn that the United States is in danger of losing its older scholars in Soviet affairs without replacing them with enough fresh talent at a time when a new generation of leaders is about to emerge in Moscow.

The specialists gathered Wednesday on Capitol Hill to testify before a Senate subcommittee headed by Senator Richard G. Lugar, Republican of Indiana, who is co-sponsoring a bill that would encourage funds to set up a \$50-million endowment to support advanced Soviet studies.

Specialists in Russia  
"The hard truth is that our national capacity to analyze the views and actions of our primary adversary... is seriously eroding," Senator Lugar said. "Nearly half of the recognized academic experts currently working on Soviet affairs will be dead or retired by the end of the 1980s, and there are few new students to replace them."

Senator Lugar, who is chairman of the Foreign Relations Committee, said that the Russians have more than 7,400 specialists on the United States working with 12 Moscow research institutions. While he gave no comparable U.S. statistics, he said that fewer than 200 Americans will complete doctoral-level training in Soviet studies this year.

Referring to the proposed legislation, Howard R. Swearer, president of Brown University, told the panel that "if you don't do something like this soon," the structure of expertise on Soviet matters built up over the last 20 to 30 years "will begin to crumble."

"The best young people are not going into it," Swearer said, as funds from private organizations such as the Ford Foundation, which once spent \$90 million a year on such studies, now spend about \$2 million, seem "gone forever." Graduate student competence in the Russian language is also on the decline, he said.

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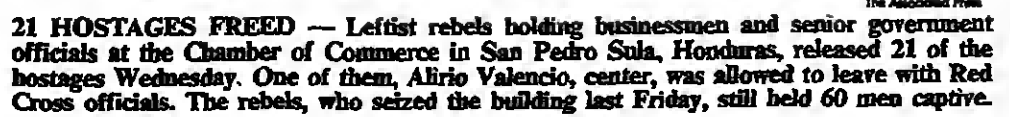
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By Warren Hoge

While the opposition is expected to win some key statehouses, the outcome will not amount to a telling exchange of power or a challenge to the existing system because of the overriding powers President Figueiredo holds and the intimate authority wielded by the military.

There are four opposition parties, and together they will undoubtedly account for a larger vote than the government party total. But, as foreseen by the government bureaucrats when they agreed to allow parties to re-emerge, they are effectively dividing up the anti-government vote.



By Robert C. Siner

A spokesman for the insurance institute, Ben Kelley, said that "all the cars being driven today are obsolete in terms of safety," indicating that none was truly safe, only unsafe to a lesser degree.

## Official Aid and Illegal Trade Prop Up Economy of Former British Colony

By Dial Torgerson

"We need to diversify the economy," said Attorney General Said Musa, a member of the prime minister's economic cabinet. "We need to get away from sugar."

Belize has in fact gotten away from a one-crop economy — but illicitly. Hundreds of thousands of

"The police are doing what they can, but it is a big country, and we have a small number of police."

Belize has about 140,000 people in an area the size of El Salvador, which has about 5 million. Much of the country is bush and jungle.

Belize is also a transshipment point for marijuana from Latin America. Travelers returning from

**Husak Back From Bulgaria**  
*The Associated Press*  
PRAGUE — Gustav Husak, the Czechoslovak president and Communist Party leader, returned home Thursday from a three-day visit to Bulgaria, the official news agency CTK reported.

any other recipient.

Mr. Price, Mr. Musa and other officials flew to Washington this month and negotiated a \$4-million aid package from the International Monetary Fund.

"But it will be two years before things begin to look up," Mr. Price warned his people this week. His prescription: penny-pinching for all.

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## The Petroleum Reserve

All through the first half of this year, both the buyers and the sellers of oil have been telling themselves that the market would surely tighten by late summer. The big industrial countries would have to start stockpiling for the winter. Those rising sales would help OPEC enforce its price system, and strengthen it after a year in which its authority has been visibly eroded.

But it did not happen. Conservation of oil, in the United States and throughout the world, has been much more effective than most people expected. Industrial use is being held down by the prolonged recession. Inventories are down. The reasons are all perfectly clear in retrospect. But the effect is greater than almost anyone foresaw.

The heaviest impact falls on OPEC. The oil exporting countries outside OPEC, like Mexico, have continued to produce briskly. In contrast, OPEC, dominated by Saudi Arabia, is struggling to maintain its prices. All of OPEC's members are now producing far less than they would like. Saudi production is now down around 5.5 million barrels a day — hardly more than half the rate that it had reached last summer. Some of the OPEC governments — Iran and Libya most aggressively, and occasionally Nigeria and Venezuela as well — are now selling their oil below the

OPEC prices in an effort to keep their revenues up. Economic tensions in OPEC unfortunately exacerbate other tensions throughout the Middle East. Even before the oil market began to shrink, the internal divisions within OPEC lay chiefly between the conservative Arab states of the Gulf on one side, and the Iranians and the North African radicals on the other. And now those divisions have become wider than ever.

For the United States and the other industrial countries, it is a prospect of continuing instability in oil prices and supplies — precisely the opposite of the predictability that the Saudis have been trying to establish. The major reason is the war between Iran and Iraq. If there is peace, or if either country manages to raise exports substantially without peace, oil prices will decline further, and OPEC might well fall apart. If the war were to spread, it would threaten a severe shortage and sharply higher prices — for those countries still able to move their oil. Neither possibility is very inviting for the Saudis. As for Americans, budget deficit or not, they need to keep pouring oil into their strategic petroleum reserve. It is now the equivalent of about two months' imports. A three months' supply would be a little more comforting.

—THE WASHINGTON POST.

## The Democrats' Agenda

From the moment Ronald Reagan was elected, Democrats started asking themselves: What will be the new liberal agenda? For many Reagan critics, the answer has become steadily clearer: the old one. They feel rising passion about jobs for the unemployed, training for the unskilled and patches for the tattered social safety net.

In other words, politics as usual. It is always easy for the outs to snipe, much harder to propose affirmative ideas. That is why a new report from the House Democratic caucus, the first of a series, merits attention. "Rebuilding the Road to Opportunity" shows some Scotch-taped signs of bargaining and blandness. Nonetheless, it works hard to rise above intraparty and even partisan rivalry to focus on long-term national goals.

The key proposal might be called MITI-minus. MITI is Japan's Ministry of International Trade and Industry, which has a powerful hand in determining that country's public and private economic priorities. The authors of the Democratic report, Gillis Long of Louisiana, Timothy Wirth of Colorado and Richard Gephardt of Missouri, do not have so authoritarian an institution in mind. But they do believe that America urgently needs some kind of vehicle for a constructive partnership between business, labor, universities and the government.

They propose an Economic Cooperation Council to provide "a center of American expertise" to monitor the changing domestic

economy and its capability to respond to international competition. This council would also provide a forum for clarifying America's economic choices and developing consensus and political support.

In the view of the Democratic draftsmen, the nation should point itself toward growth and fairness — with such an institution as the centerpiece. More specifically, they call for increased public investment in growth: high technology, infrastructure like roads, bridges and coal ports; rebuilding basic industries; and more education and training, as the number of well-educated workers goes down and the number of unskilled workers goes up.

All this involves its share of merrits. Democrats scoff when President Reagan says he is cutting taxes, decreasing the deficit and increasing defense spending all at the same time. But how can they pour \$50 billion into a new investment program while they decrease the deficit and control inflation? At least the Democratic document acknowledges the need for making choices.

The idea of a national economic partnership is not electric, like an National Recovery Administration or a Great Society — but students of the economy concur that such a forum is highly desirable. Growth and fairness may be familiar Democratic Party goals — but purposeful investment in growth is not. The Democratic proposals could put new life in the old liberal agenda.

—THE NEW YORK TIMES.

## A Note on Amin Gemayel

On this page today we publish an article prepared on the eve of his assumption of the Lebanese presidency by Amin Gemayel. One part of it requires, we believe, comment.

Mr. Gemayel, in the course of deploring the weekend massacre of Palestinian civilians, says that neither his Kataeb (Phalangist) party nor its members had any involvement or association with it. Nothing so far is on the public record to indicate that Mr. Gemayel or other competent Phalangist leaders had any role in what went on. Eyewitnesses have reported, however, that among the gunmen were militiamen in the Phalangist uniforms. In other contexts, Mr. Gemayel is reported to have acknowledged some participation by

Phalangists and to have attributed it to individuals acting without orders or discipline. This has been widely accepted by the Lebanese political community, which is, thankfully, eager to move on into a healing phase.

In offering this comment, we do not mean to pick a quarrel with Mr. Gemayel, who wrote this article at our request and who in any event is assuming a tremendous burden. But at a moment when the kinds and degrees of responsibility for the tragedy at Sabra and Shatila camps are a matter of intense public debate, it seems only right to note that especially on this particular point of Mr. Gemayel's, there is more than one view.

—THE WASHINGTON POST.

## Other Opinion

### The Beirut Massacre

Will Israel conduct the prompt, full and impartial investigation of last week's slaughter of Palestinians in Beirut that its own role in the tragedy calls for? Not if Prime Minister Menachem Begin and most of his Cabinet have their way. Begin's method for facing up to the shattering questions of possible official Israeli wrongdoing has been first to deny any responsibility at all, then to seek to retain full control over any investigation that outraged public opinion might force on him. This simply won't do.

Begin has good reason for wanting to avoid a free and nonprejudiced inquiry. Information developed largely by the Israeli press already points to a damning and conscience-searing record of gross irresponsibility and, probably, deliberate callous inaction on the part of Begin's government in the Palestinian massacre. Allowed to emerge in fully detailed truth, this record could well prove politically fatal to Begin and his cohorts.

And so the Begin cabinet has chosen the not-unfamiliar course of stalling and evasion, meanwhile holding out the possibility of an

investigation under its own auspices at some future time. The odor of cover-up is unmistakable. Equally unmistakable is the wave of moral anguish that has swept over Israel in the wake of the Palestinian massacre. If they are to be faithful to themselves, Israelis must not allow the cover-up to proceed.

—The Times (Los Angeles).

### Schmidt's Support

German Chancellor Schmidt's firm handling of his erstwhile coalition partners has certainly closed his party's ranks behind him. But it is legitimate to suspect that this solidarity will not last long. The disputes of the last year and a half have created wide personal rifts that will not heal quickly. But even more important are the differences on points of principle like acceptance of the NATO missile decision, the attitude to nuclear power and relations with the "Green" and pacifist movements. All these matters were at the root of the coalition's breakup and none of them has been settled by the new turn of events.

—The Neue Zürcher Zeitung (Zurich).

SEPT. 24: FROM OUR PAGES 75 AND 50 YEARS AGO

### 1907: Future of Philippines

PARIS — Today's editorial in the Herald reads: "It is universally felt that the abandonment of the Philippines to their own resources or to some other foreign power is more than inadvisable: it is impossible. The national honor would be tarnished if the American flag were hauled down in the Philippines, and national prestige abroad would suffer if the American people were to scuttle out of the islands and thus confess that they lacked confidence in their ability to succeed abroad as they have succeeded at home. On the other hand, the U.S. Constitution does not make any provision for the government of subject races, and there is a general reluctance to amend it in this respect."

### 1932: Students 'Work Harder'

PARIS — American students are taking education more seriously because of the depression, according to John Grier Hibben, who retired in June after 20 years as president of Princeton University and is now visiting Europe. "The depression has hit American universities in two ways," he said. "The securities representing their endowments are paying smaller dividends, and the students are poorer and thus find greater difficulty in paying tuition. But because of the difficulties, the students work all the harder to get what they can out of their education." College alumni are helping materially to enable students to obtain an education through loans, the former president said.

# Why Israelis Must Not Avert Their Eyes From Evil

By Anthony Lewis

BOSTON — In the holiest week of the Jewish year, the week of penitence, the prime minister of Israel has closed his eyes to evil and rejected the doctrine of personal responsibility. That has been Menachem Begin's reaction to the Beirut massacre, ending in his refusal to have an impartial commission of inquiry.

It is the offense to Jewish values that is most astounding in what Mr. Begin has said and done since last weekend. For years Jews have condemned the silence of the world when Jews were persecuted and murdered. To avert one's eyes from evil, Jews said, was the worst of sins. And we were right.

Now Mr. Begin is acting to conceal the truth of what happened in Beirut, and to deny a political responsibility that cannot be denied. Consider what we do know about the events in Beirut last week. Even taking everything at its absolute minimum, the responsibility of the Israeli government is obvious.

The Israel Defense Forces had taken full control of West Beirut and sealed off the Palestinian refugee camps. Then they invited the Phalangist militia, blood enemies of the refugees, into the camps for mopping-up operations. The Israeli cabinet on Sept. 16, approved the plan to let the Phalangists into the camps. The mass murder in the camps began during

that night and went on until Saturday morning. By Friday morning, at the latest, high Israeli officials had been informed that something terrible was happening, but the army did not intervene for many more hours.

Israeli forces on the scene must have known about the shoveling for a long time. Some of the killing took place within view of a main Israeli observation post in West Beirut. David Lamb of the Los Angeles Times wrote: "By 4 p.m. Friday the killing had continued for 19 hours. The Israelis stationed less than 100 yards away, had not responded to the sound of constant gunfire or the sight of truckloads of bodies being taken away from the camps."

To all this the Israeli cabinet responded on Sunday, Sept. 19, with a statement of indignation and total denial. Though issued as a cabinet document, it bore the personal stamp of Mr. Begin. It was printed in full-page advertisements in American newspapers this week.

The massacre took place, the statement said, "in an area where there was no position of the Israeli Army." It said the army put an end to the slaughter "as soon as it learned of the tragic events." According to the evidence that came in during the week, both of those assertions were

false. The statement rejected any claim that the Israeli forces bore "any blame whatsoever for this human tragedy."

Yet there could be no doubt of the responsibility: the absolute moral and political responsibility of a power that occupies a city, with the declared intention of maintaining order, and lets an armed group work its will on its mortal enemies. The U.S. State Department spokesman, John Hughes, said it succinctly enough: "If you assume military control of an area, you are responsible for what happens there."

No one in Israel who was the least detached had any doubt of the realities. Ma'ariv, a newspaper that usually supports the Begin government, said it was impossible "to pose as naive" about the nature of the Phalangists "and what they have perpetrated in the past," or to pretend that they were likely to "behave with self-restraint" in the camps.

Ma'ariv said: "We must have enough integrity and strength of character to admit, first of all to ourselves, that by our entry (into West Beirut), by our presence, by our exaggerated confidence in the Phalangists, we are indirectly responsible for the terrible pogrom that took place there."

If Mr. Begin had taken such a forthright position, if he had accepted responsibility and let the facts be found in a credible way, he would have had the respect even of his critics. As it is, his reaction to the events is in a way more terrible than the events themselves. For by denying all he has made all suspect; he has implicated his country, and his people in what was the political responsibility of a few.

His Cabinet statement of denial said that any claim of Israeli responsibility for the massacre was "a blood libel against the Jewish state." The term "blood libel" referred to the horrible old anti-Semitic superstition of Central Europe that Jews took the blood of Christian children at Passover. Thus Mr. Begin enlarged a criticism of particular politicians into a collective charge against an entire people. He made self-righteousness obscene.

The Israeli forces outside the refugee camps turned their eyes away from what was happening. Mr. Begin closed his eyes to the knowledge of evil. And so did the Knesset majority in refusing to order a judicial inquiry. That is where we are in this week of penitence.

But I do not believe, I cannot believe it will rest there. The character of Israel will not permit this mockery of Jewish tradition to stand.

The New York Times.

## Amin Gemayel's Plan For Lebanon's Future

The writer prepared this commentary for The Washington Post before becoming president of Lebanon on Thursday.

By Amin Gemayel

BEIRUT — The death of my brother, Bashir, has been a bitter personal and national experience for me and most other Lebanese. I am mourning him, but even in this tragedy, I find hope and determination. Hope stems from my deep belief that Bashir did not die in vain. Rather, he infused us all with his values and determination to liberate Lebanon of foreign occupation and to build a pluralist Lebanese society where individuals matter and where the purpose of the state is the protection of the right of its citizens to live in tranquility and abundance.

These ideas of liberty, cultural pluralism, rugged individualism and political and economic security have not died — and will not die — with Bashir. We are determined to fulfill his memory and legacy by adhering to his ideas and working to make his program a reality.

The unity, spirit and strength of the Lebanese people have once again stood their ground in the aftermath of Bashir's calamitous death; almost all of Lebanon's leaders — Sunnis, Maronites, Shiites, Greek Orthodox, Druze, Greek Catholic — gathered together at his funeral in a unique show of unity in our bleeding country. Lebanon's unshakable political institutions once again took on their customary task of electing a president.

This spirit of consolidation, unity and resolve is a source of hope for us all. It deals a crushing blow to his cowardly assassins, whose intention was to destroy the process of reconciliation and governance that Bashir had set in motion.

I condemn in the strongest possible terms the massacre of unarmed Palestinian civilians that occurred at the refugee camps last week. The Kataeb (Phalangist) party has always stood for deeply held Lebanese values of human justice, human rights and peace. This human "tragedy," which the Kataeb and its members had absolutely no involvement or association, makes it imperative that there emerge a strong central government.

As a member of Parliament for 12 years and a Kataeb Party leader who has lived through the past decade of violence in Lebanon, I have had ample time to ponder the future of my country. My image of Lebanon and its future is that of my brother and my countrymen. I would set the following goals:

1. To regain Lebanon's sovereignty by ensuring the immediate removal of all foreign forces from Lebanese soil.
2. To reconstruct the fiber of society by consolidating the spirit of unity toward which the Lebanese aspire, irrespective of political, religious or ethnic differences.
3. To create a strong administration and unified government in which all elements of society would partici-

pate in both responsibilities and benefits.

4. To rebuild the Lebanese Army, which would protect our internal security and, equally important, guarantee Lebanon will not be used to undermine the security of its neighbors, Israel and Syria.

5. To establish the strongest bond between Lebanon and the United States. Politically, culturally and economically, our countries have a great deal in common. We want to consolidate a permanent relationship, which is imperative for Lebanon's survival and American interests.

We are grateful for President Reagan's noble role as a force for the labor of Ambassadors Philip Hahn and Morris Decker and the American administration and people to bring peace to Lebanon. We hope the United States will continue its efforts to ensure the withdrawal of all foreign forces. It is essential that Lebanon's sovereignty and territorial integrity remain a top priority for the United States and the international community.

6. As a member of the Arab League, it must be asserted beyond a shadow of a doubt that Lebanon is a unique society. It has always had a special status and identity that enriches the Arab world: a bridge between East and West and a peace-maker in the region. We intend to replace this role. We expect like-minded Arab countries to display unambiguous support for Lebanon's renewed vigor.

We want to transform Lebanon into a "new" dynamic country. It is no longer permissible for Lebanon to seek a preservation of the status quo as we did in the past, when our policies were designed merely to buy time.

In Lebanon, there are citizens who have been refugees for more than a decade and have suffered economically, psychologically and physically. Our reconstruction effort will have to focus on them and on the problem in its entirety.

We realize that reconstruction and development will require time, patience, political acumen and good will from the Lebanese people and from the world. We will be approaching our neighbors and international supporters with development and financing plans. The renaissance of this nation is dependent upon their support.

Lebanese who are citizens of other countries have been proud of their heritage, and have sacrificed a great deal. They are our pride, and their support and participation will be essential. We extend a special call to them to contribute their talent, initiative, energy and resources.

We know better than anyone that our problems are monumental and require dedication and boundless energy. Each of us, however, is determined to rebuild Lebanon, and we will do it.

## LETTERS TO THE EDITOR

### U.S. Wheat Sales

I think the British are equating the sale of American wheat to Russia with the sale of high-capacity compressors made by British industry, in Russia.

Is there not an obvious difference? When the food has been consumed, Russia is just where it was before, but buying compressors is an investment. Their economy is more powerful. The acquisition of fixed assets with a 15 or 20 year life and the gas line renders West Europe more dependent on Russia. One might also ask, would England also sell their naval ships to improve employment in British shipyards?

A further question: what credit terms is Russia getting? I have read that Russia's interest cost on the transaction is well below what a normal rate would be and below what Britain would charge any of its allies on a similar transaction. Is this fair, or even prudent?

WARREN SNYDER

Paris.

### Jewish 'Singularity'

Regarding "A Wise Man's Ambition for Israel" (Herald, Sept. 11): Flora Lewis' eulogy of Nachum Goldmann carries a singular view — a very short-sighted one — of Jewish history, when she propounds that despite biblical battle victories Jews were dispersed — but exist due to their "singularity." Her text implies that this "singularity" can only exist in a diasporic or covering peace in Israel.

The Jewish singularity was expected, also, in the biblical battles, and because of them. Who remembers to-

day Emperor Hadrian — except for the Palestinians — a name coined by him to try to obliterate the Jewish singularity after the AD 135 Bar Cochva revolt.

S.C. SCHIFF

### Expensive Study

Regarding "6 Countries in EEC Subsidizing Steel" (Herald, Aug. 26): I am sure many of your readers would like to know how an 8 month investigation of this sort could possibly cost \$5 million!

CAROL GAMET

Nogent sur Marne, France.

### School's Location

Regarding "Mohammed Abdallah, Lion of Kashmir Dies" (Herald, Sept. 10): In the fifth paragraph of your report, you had said, "At the University of Aligarh in what is now Pakistan he earned a master's degree." Your paper's ignorance on the location of Aligarh is appalling. It is very close to Delhi and is part of India.

L.D. VORA

Lagos, Nigeria.

### Qadhafi's Program

Regarding "Qadhafi's Changes Wrench Libya" (Herald, Sept. 15): In fairness to Colonel Qadhafi, Alan Cowell's front-page piece should have also mentioned that Qadhafi's Libya has produced free medical, educational and housing facilities — fundamental human rights. These are the ravens of Third World countries. My point is made.

KOFI BUENOR HADJOR

Oxford, England.



Studying the Options on the Beirut Massacre

## U.S. Should Look Beyond Marcos

By Peter W. Stanley

LOS ANGELES — After 17 years in power, more than eight of these as dictator of a martial-law regime, President Ferdinand M. Marcos of the Philippines is in trouble both politically and economically. The symptom of his political problem is the spread of organized and often violent opposition; its deeper cause is a widespread cynicism regarding the purposes of the regime — a crisis of legitimacy.

In his prime, Mr. Marcos — currently on an official visit to the United States — credibly presented himself as a reformer and an advocate of development and progress. For years, martial law won at least grudging acquiescence from most Filipinos because it promised land reform, more efficient and reliable public administration and improved public safety and economic development.

Today all of these are bitter memories. Land reform, a rhetorical triumph, has had little if any impact upon the distribution of wealth or even the effective transfer of control over the land. Government and, through its influence, much of the economy has fallen into the hands of profiteers and cronies of the president or his wife. Random crime and violence, once contained, have returned. The government itself has been responsible for the death, disappearance, torture or despoiling of thousands of ordinary people.

Partly for these reasons, there is now at least one serious hot bed of armed rebellion in every region of the Philippines.

The worst problems facing Mr.

Marcos, however, are economic. Economic development was one of the brightest promises of the Marcos regime.

Two central challenges face the Philippine economy: growth and diversification. With the highest birthrate and the fastest-growing labor force in East and Southeast Asia, 700,000 new jobs are required annually. They can never be created as long as the economy depends upon a handful of primary exports — notably copper, coconut products and sugar — and relies upon outside suppliers for 87 percent of its energy.

Lagging foreign investment, soaring costs for imported oil, depressed prices for its own copper and coconuts, and a far-reaching scandal involving a major financier have slowed the Philippines' growth rate to half that called for by the technocrats.

This, plus relatively low tax rates (an opiate to calm potential critics), have forced the country to borrow heavily to spur growth and finance diversification projects. Excluding money lent by the International Monetary Fund, the Philippines' external debt is now conservatively estimated at \$12 billion. More than one-third of all new borrowing goes simply to repay existing debts.

Mr. Marcos came to Washington to begin formal negotiations over the future of America's naval and air bases in the Philippines. The Reagan administration, having shed former President Jimmy Carter's emphasis

on human rights, welcomes Mr. Marcos warmly as an ally and a bulwark of stability. After a ritual struggle designed to strengthen his credentials as a Philippine nationalist and affirm his statesmanlike interest in the regional welfare of Southeast Asia, agreement will probably come easily. Such an outcome, however, may not serve the long-term interests of either country.

In the short run, both governments want the bases to remain. To Mr. Marcos, they are a valuable economic stimulus and, since the bases would be worthless if political and social order were to break down, an assurance of continued American support for his regime. To Mr. Reagan, the bases provide indispensable maintenance and staging areas that permit projection of American strategic power to counter the growing Russian presence in Southeast Asia and the Indian Ocean.

Agreement on this central point arises, however, not from the strength, confidence or shared purpose of the two governments but from their complementary vulnerabilities. Each of them desperately needs something the other can provide, and this is likely to raise the price of the eventual settlement.

Americans have interests of many kinds in the Philippines, but there is only one reason for U.S. dependence upon Ferdinand Marcos: the Reagan administration's heightened need for major forward bases in the Philippine archipelago. The need for forward bases somewhere in Southeast Asia is traceable to the fall of the Shah of Iran and the buildup of Soviet naval power in the Indian Ocean and the ports of Vietnam. To counter this Soviet presence, reassure China, protect U.S. access to the back door to the Middle East, and defend the petroleum lifeline of Japan, the United States has reversed the process of strategic withdrawal from Southeast Asia that it began toward the end of the Vietnam War. The naval facilities at Subic Bay and the giant air base at Clark Field are the only existing American bases that can support an expanded American role in the region.

This need not have been so. In the triangle formed by Singapore, Guam and the west coast of Australia, there are many sites which, if properly developed, could serve as well as Subic and Clark. Between the end of the Vietnam War and the Shah's fall, the corruption, repression and economic vulnerability of the Marcos regime revealed themselves, responsible Americans in and out of government urged the development of alternate sites to make sure that U.S. strategic interests would not become hostage to Mr. Marcos' political fortunes. Reagan, then as now, time-consuming and inconvenient, the option is no longer practical now that an American buildup has begun. As a result, Mr. Reagan must placate and actively support the landlord of the only bases available.

Although Congress may balk, the Reagan administration will be tempted to play Mr. Marcos' game. Mr. Marcos is a survivor; and, if his health holds, he may govern the Philippines for several more years.

There may be no alternative to dealing with Mr. Marcos this time, but the United States should start now to lay the foundations for a different future. Three modest steps therefore suggest themselves to the United States: insist upon further and more substantial liberalization of the regime; strengthen contacts with responsible critics and begin dispersing the base functions of Subic and Clark to alternative sites.

All of which goes to show that there can be no universal interpretation of history until the facts have had time to settle, long after the generations involved have passed from the scene.

International Herald Tribune.

## Japanese Textbooks Became a Policy Tool

By Ken Ishii

TOKYO — Now that the dust is settling from the controversy over charges by Japan's neighbors that its revised history books whitewash Japan's wartime aggression, some observations are worth making. One is the increasing use of textbooks as a tool of domestic and foreign policy.

Beijing's protest was over the Japanese Education Ministry's decision to tone down descriptions of Japan's invasion of China in the 1930s by referring to it as an "advance" rather than aggression. The South Korean government followed by reacting indignantly to Japanese textbook references to the uprising of the Korean independence movement in 1919 against Japanese rule as "mob violence."

Taiwan and Singapore joined in the chorus against what has become a growing tendency by Japanese authorities to play down Japan's role as a villain in recording the history of its Asian conquests for future generations.

There is nothing new about Asians assailing the Japanese with reminders of their aggression. Some of it is in reaction to what they see as Japan's economic arrogance. Some stems from the feeling that the Japanese do not really repent their wartime wrongs. But the greatest reason probably concerns their fears over the revival of Japan as a military power in the area.

In analyzing the most recent round of protests, China experts say Beijing needed to divert public attention from domestic problems. They say Beijing also felt that it had to check what had been allowed to become a too pro-Japanese attitude among Chinese that was not in keeping with the revision of Chinese foreign policy away from the West.

But even as Beijing was vehemently accusing Japan of a lack of sincerity, it went ahead with preparations for a

visit by Prime Minister Zenko Suzuki to celebrate the 10th anniversary of the restoration of Japanese-Chinese relations.

And even as the Seoul government was firing off protests to Tokyo over what it charged was a distortion of history, relations between the two countries remained otherwise unimpaired.

That the Asian protests had the desired effect — probably more than expected — was evident in the unprecedented promise by the Japanese Education Ministry to retract the offending descriptions.

They have also heightened Japanese sensitivities toward Asia, and in so doing accentuated Japan's dilemma of trying to comply with American insistence that it increase its military strength without aggravating fears among Asian countries of a Japanese militarist revival.

The vast majority of Japanese believe their country made a mistake in going to war. But the Japanese culturally are not given to expressing themselves directly, and that is the real cause behind the textbook dispute.

Japanese is a language of euphemism. Whenever possible it is much better to say "it is difficult" rather than to give an outright "no."

In this context, the Japanese as a whole see nothing wrong in describing their country's invasion of China as an "advance."

The official U.S. explanation of its intervention in Vietnam is that it began with good intentions but got out of control. The Soviet Union says its troops entered Afghanistan to help keep law and order.

All of which goes to show that there can be no universal interpretation of history until the facts have had time to settle, long after the generations involved have passed from the scene.

International Herald Tribune.

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September 24, 1982

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# 'Betrayal,' Loyalty, Hollywood and Sam Spiegel

by Mary Blume

LONDON — "Sweetheart," said Sam Spiegel over a luncheon of smoked salmon and scrambled eggs. "I haven't been to Hollywood even for a day's visit for over three years. I don't feel at ease in Los Angeles at all."

He does feel at ease in London and New York, where he keeps apartments, and in Saint-Tropez, where he keeps up his reputation for high living — although a shocked friend claims to have seen Spiegel recently with a girl who was at least 30. Spiegel, who admits to being 78, is the greatest film producer of the postwar period — he made "The African Queen," "On the Waterfront," "The Bridge Over the River Kwai," "Lawrence of Arabia" — but in recent years he hasn't been much in view except at social occasions, which he graces with charm and great aplomb.

Now he has been drawn back to work by Harold Pinter, a friend and the scenarist of "The Last Tycoon," Spiegel's last and unsuccessful Hollywood effort.

"Harold and I are very old friends and whenever he has a new play he wants to know what I think of it." One day Pinter gave Spiegel a new play called "Betrayal." "I read it. I wasn't moved by it but I was delighted to read it. In London they cast it with the most electrifying cast I'd ever heard of. I thought it needs actors who give you to your seat."

The New York cast was a lot more adhesive and when Pinter said "Sam, you should get yourself out of your boredom and do it as a picture," Spiegel was ready to listen.

"Betrayal" has now been filmed with director David Jones, whose first film it is, and actors Jeremy Irons ("The French Lieutenant's Woman"), Ben Kingsley (soon to be seen as Gandhi) and Patricia Hodge, who recently played Nancy Mitford on the London stage. For the first time, Spiegel used his own money to finance the film.

"You get more and more involved," he says. "There's a certain point of no return: You are committed and at that point you'll step over everyone to do it."

"Betrayal" cost less than one big star's salary. "Very few people go to the pictures for stars," Spiegel says. "They've seen all they can of Burt Reynolds or Clint Eastwood. It's a repeat performance each time. The proof of the pudding is the success of 'Chariots of Fire' with no names."



Sam Spiegel.

Spiegel's biggest no-star gamble was casting Peter O'Toole as Lawrence of Arabia. "We wanted to be faithful to Lawrence. I definitely didn't want stars. I wanted to be sure when he entered you would identify

with nothing but Lawrence of Arabia. David Lean wanted Marlon Brando. I like Marlon, but I wanted Lawrence to enter unheralded."

Spiegel thinks that audiences, glassy-eyed from intergalactic warfare, are ready for something more intimate, and that "Betrayal" is it. "I hit on the right note of what people want — something gentle, erotic, but not too intellectual, but not too."

The betrayal of the title, he says, is intellectual as well as sexual and emotional. "Most people identify with the fact that you're not eternally faithful to the same person and that betrayal occurs not only through will but through innocent impotence. The point is that all three people betray each other — the act of betrayal is impossible to avoid in our society."

As a producer Spiegel has been remarkable for his taste, cunning, New Year's Eve parties and the 23 Oscars his films have won. His great films were, he says, as rich in theme as they were big in size.

"In 'The Bridge Over the River Kwai,' the theme was disloyalty to a country in the name of the genius of a country's spirit: Alec Guinness builds a bridge that helps his Japanese enemy but the bridge is superbly built."

"In 'Waterfront,' there was again the conflict of loyalties — the loyalty to the Mafia from which the Marlon Brando character sprang and the sudden discovery of the existence of conscience."

"On the 'Waterfront' was also about informing, and Elia Kazan, its director, was notorious for having been an informer during the McCarthy days (the screenwriter, Budd Schulberg, also named names). Spiegel justifies his choice by saying he employed blacklisted writers on other films; the fact that he got Brando to sign for the film was a miracle of persuasion."

"Marlon never wanted to forgive Kazan for his betrayal, because there was an old actor named Smith, a friend of Marlon Brando, who died as a result. 'Waterfront' asks should a friend denounce to the legal authorities the sins of his tribe. Marlon felt the script justified Kazan's behavior."

"People's political problems should not affect their ability to make a good picture. Making a good picture for me transcends all political questions. The conflict of loyalties will transcend McCarthyism long after we're gone. The subject is perennial."

Behind Spiegel's London desk hangs one of Francis Bacon's scream-

ing popes. Not many people would have the cool to live so close to such a searing image but Spiegel, who was born in Poland and has moved around a good deal since, is a fearless survivor. He looks like a Roman emperor but in the 1940s things were so bad — "I was extremely desperate" — that he changed his name to S.P. Eagle (when he resumed his real name, Variety's headline said, "The Eagle Folds Its Wings").

Those were bad days of deportation threats, financial hassles, noisy divorces, all of which Spiegel looks back on with total calm and amnesia.

"I have the ability to wipe out unpleasant names and events. I have seen people who I know dislike me because of their attitude and I'm asking where in the hell, in what country and in what point in my life...

"It makes me so devoid of hatred. I don't know of any enemies in my life and I wish I did because I suffer enormously that I don't remember this face and these displaced teeth coming at me."

In little more than a decade, 1951-62, Spiegel made five Academy Award pictures. "It was dedication to the exclusion of every other mistress," he claims with the likely touch of hyperbole. "It was an obsessive kind of period. I could match that again. I wouldn't want to. It was completely devoid of planning, motivated by new dreams."

In fact it is unlikely that Spiegel could match that period in today's Hollywood where, as he points out, producers are just packages and budgets are beyond sense. "The profligacy with which people prepare a picture for \$40 million because they're not willing to take the time to make it for less, the lack of inventiveness of people who make pictures!"

"It took me some years to find out what makes a good producer. I became a good producer merely by not doing things I didn't think I should do. That's the trick of being good: to have the choice of saying no to something you're not wholeheartedly wed to. Any producer who reaches that stage has a chance of being good."

Spiegel's Hollywood chums have mostly died or given up. He remembers trying to urge the late David O. Selznick back to work.

"He got disenchanted long before I did and I thought it wasn't fair and we should try to reconquer the industry that we used to thrive on," Spiegel said. "He really died from disenchantment with the world in which he lived."

## Silence, Please, for John Cage

by Michael Zwerin

PARIS — John Cage, the most-influential living musical explorer, adventurer and philosopher, is talking about silence. "Thoreau and the Indians and I have said all along that the sounds all around us are equivalent to music. In India they say that music is continuous, it only stops when we turn away and stop paying attention. Thoreau said that silence is like a sphere with sound bubbles on its surface. I want to keep from interrupting the silence that's already here."

He once composed a piano sonata called "Four minutes, 33 seconds," consisting of four movements, all silent. As the audience began to suspect that the pianist, who was looking at a stopwatch, was not going to play, they started to giggle, fidget, nudge each other, cough and blow their noses. Then these sounds, plus sounds from outside the hall, became themselves music. As pop art helped people recognize everyday objects as art, Cage revealed music where before there were only sounds or noise or silence.

When he first started studying composition in Los Angeles, where he was born, he says: "There were only two possibilities, Schoenberg [with whom he studied] and Stravinsky. Now we are lucky — we live in an age where everything is possible."

It's more than luck. Cage is mainly responsible for this multiplication of possibilities. To celebrate his 70th birthday, which was Sept. 5, Cage is in Paris this week to receive from Minister of Culture Jack Lang the rank of Commandeur de l'Ordre des Arts et des Lettres, the highest order his ministry can award. Judith Pissar, director of the American Center, which is honoring Cage with a concert of his music and a month-long exhibition of his drawings, says that Lang told her France decided to award the medal because Cage "represents everything that is pure and creative in the United States."

"Once we had the Mona Lisa," Cage has said. "Now we also have the Mona Lisa with a mustache." So we come to the "prepared" piano. Almost 40 years ago he placed nuts and bolts and other objects — now he does it large-

ly with electronics — in the strings, his way of painting a mustache on the piano. Thus it became a variety of instruments with previously unknown textures that could be altered between movements or compositions. In the 1930s Cage wrote a composition for 12 radios, and was already experimenting with electronic and computer music.

In the United States he lives in a loft in the former B. Altman department store on the Avenue of the Americas, which, like all good New Yorkers, he calls by its old name, Sixth Avenue. "I love living on Sixth Avenue," Cage says. "It has more sound, and totally unpredictable sound, than any place I've ever lived. Some people call it noise, but I've always been interested in noise. It goes on night and day and at first I couldn't sleep through it. Now I enjoy it as much as a concert."

Somebody once said that all musically talented people have large ears, and Cage's are very large and exquisitely folded. He is calm, yet there is an inner spring that uncoils into the loudest silent laugh you ever didn't hear. The face is absolutely exploding, spitting with

laughter and yet there is only silence. The silent laughter comes frequently and finally breaks into its inherent joyous sound: noise.

Cage studied with the Zen philosopher Suzuki. He is a macrobiotic vegetarian and a mycologist, describing himself as "a hunter of mushrooms and sounds."

He speaks slowly, with great precision and often poetry: "If you want to be free of that thing that defines the ego, you must leave both the things you like and dislike. If you have learned to flow, the question of likes and dislikes might come up but they won't be important, whereas if they come up before that they are extremely important, and they stop the flow."

For flow he uses what he calls chance elements in his compositions, and chance for him is like "sitting cross-legged. Only instead of going inward toward the dreams it goes out through the sense of perception and effects the sound of my music. It enlarges the field in which my work operates. If I just used my

Continued on page 10W



John Cage.

## Among Art Collectors, Buying Is an Art in Itself

Sometimes It's a One-Man Show

by Terry Truico

TOKYO — When he first began jetting to London for important auctions of Chinese porcelain, pieces that sold for hundreds of thousands of pounds, Seiji Matsuo flew on Aeroflot, the Soviet airline. "It was very cheap," he explains.

That was 10 years ago. These days Matsuo allows himself the luxury of an airline sleeping cabin for his three or four annual buying forays outside his native Japan. "It is very expensive but also very comfortable," he says. And comfort, he adds, is important to him now that he is 88 years old.

Japan, as anyone who follows the international art market knows, is a nation of wealthy, discerning and devoted art collectors, particularly of Oriental art. It would be hard to find a more diligent, amiable or successful collector here than Seiji Matsuo. Art has been a force in his life for years, ever since he purchased his first Japanese painting with the little money he had saved by the time he was 25.

He has never sold anything he ever bought, he notes proudly, and today his collection, which numbers more than 2,000 objects, encompasses a sampling ranging from Greek, Roman and Egyptian antiquities — works still scarce in Japan — to Persian ceramics and Buddhist figures. Chinese porcelains, particularly the large, sturdy-looking pieces from the early Ming and Yuan periods, are the collection's hallmarks. Matsuo's early Ming and Yuan periods, are the collection's hallmarks. Matsuo's early Ming and Yuan periods, are the collection's hallmarks.

As with many wealthy Japanese, he has deposited the cream of his collection in a museum bearing his name. Open to the public, the Matsuo Museum is in Tokyo's Shimbashi district, not far from the city's cluster of commercial art galleries.

Like most of the world's avid collectors, Matsuo works closely with a few well-known dealers, particularly Giuseppe Falsenazi, a dealer in Oriental art in London. But unlike many collecting veterans, Matsuo, an avid auction buff, attends all the important sales and, extraordinarily, does his own bidding.

"I've been told for me when it comes to an important auction," he noted recently as he sipped green tea in a back office of his museum. "Suppose I tell him I must stop bidding at \$200,000 and then, once the auction has started, I decide I will have to spend more." By sitting in the saloon, Matsuo has snatched up numerous treasures that might otherwise have gotten away.

Matsuo also relishes the style of Western art auctions, with their aura of excitement. "When I first went to auctions, I let the dealer bid for me," he says. "Then I realized it was interesting and decided to bid for myself."

Every with a dignified manner, Matsuo is a familiar figure in the West's large auction houses. His reputation precedes him. As one London auctioneer correspondent has noted, Matsuo's "determination to buy irrespective of cost" can profoundly affect the market. His tastes in art are distinct, and prices often "leap up," as another writer put it, when Matsuo is in the running.

It is strange, in this era of buying agents and anonymous bidders, for a wealthy collector to do his own bidding, it is odder still that the collector is Japanese. Despite his flourishing art market, which can be traced back to Shogun times, Japan is a country with no tradition of public auctions such as those held at Sotheby's, Christie's and the Hôtel Drouot. Art collectors here invariably buy from dealers. Auctions occur with great frequency — as many as 20 sales a month in Tokyo alone — but are open only to a select group of dealers.

During his lengthy collecting career, Matsuo has often worked with these dealers, but he is critical of them. "In Japan, the dealers can secretly sell the good things," he says. "At Western-style auctions, he believes, anyone who can afford to bid has a fair chance."

Perhaps his finest moment in the saleroom came in 1974 at Christie's when he bought a Chinese work of art from the Frederick M. Mayer Collection. In a sale that has since joined the annals of auction-house lore, Matsuo spent \$297,320 (then about \$169,000) on the first day alone. Numbered among his purchases were an exquisite Yuan Dynasty blue and white meiping vase priced at \$220,000 and a \$60,000 blue-and-white bowl decorated with dragons.

Holding the brown cloth-covered Mayer catalog, Matsuo fondly turned its pages. Each of his purchases is signaled by a bright red mark-



Seiji Matsuo.

er, and viewed from the top the catalog looks like a red blur. Although he studied this catalog assiduously before the sale, Matsuo saw the actual objects for the first time the day before he bid. Still, he bought without hesitation. "It was an excellent collection," he says. "And an exciting sale with plenty of competition."

Matsuo regards his Yongle (1405-26) dragon bottle as another saleroom triumph. It was originally sold at Sotheby's in March 1974 for \$420,000 to a banker from Portugal. But shortly after the sale, the buyer was imprisoned during the Portuguese revolution. As he couldn't pay Sotheby's, the auctioneers offered the piece to Matsuo, the underbidder, at a "negotiated price." Matsuo won't say any more than "It's one of the prize pieces of my collection."

Part of Matsuo's enthusiasm for Western-style art auctions may stem from his early associations with Westerners. Born into a family of rice merchants, Matsuo grew up in Tokyo's Tanjiki district, once the city's foreign community. There he learned English, became a Protestant and developed an ease with foreigners.

He worked first as a typist, then as a jewelry importer, but his fortune was built during the postwar years in real estate. Among the buildings he still owns is the monolith that houses his museum on its eighth floor.

Not surprisingly, this quintessentially self-made man has his own philosophy about art and collecting. Matsuo readily admits he never formally studied art, doesn't give a hoot about scholarly treatises and considers buying to be "the serious part."

"If you have a natural eye, you can best cultivate it through buying," he feels. His collecting credo is simple: When spending vast sums of your own money, you rapidly learn to avoid making mistakes.

And Sometimes a Group Presentation

by Carol Lawson

NEW YORK — Terry Dintenfass widened her eyes in astonishment. Twenty-one prospective buyers had just trooped into her normally quiet West 57th Street art gallery to see some paintings, and the ring-leader of the group, a portly man with gray hair, was blowing a shrill whistle to bring every eye to attention.

In her long career of selling art in New York — usually to one or two people at a time — Dintenfass had never seen anything like this mob scene. She soon learned, though, that such an unorthodox way of doing business can pay off — and handsomely.

The group was from the Hunter Museum of Art in Chattanooga, Tennessee. There were 19 museum supporters, known as the Collectors Group, accompanied by the Hunter's director and curator. They were in New York for a two-day shopping spree, with \$60,000 to spend on contemporary art. At the end of two hectic days in SoHo and on 57th Street, the Collectors Group voted to buy 14 works for the museum.

The Hunter is the second museum known to have tried this committee approach to expand its holdings. The first was the J.B. Speed Art Museum in Louisville, Kentucky, which has been doing it since 1966. The Speed has found that there are enormous benefits in having a group of supporters choose acquisitions. "Our collection has increased immensely, in a way that would not be possible otherwise," says Franklin Page, director of the Speed. "It has enhanced individual giving. The secret is confronting donors with the seduction of an actual art object. Once they see a piece, they find it hard to give up."

The 19 Hunter supporters had to donate at least \$500 apiece to the acquisition fund to become members of the Collectors Group, and they paid their own expenses for the trip to New York. A few people contributed more than \$10,000 each to the museum.

"The common denominator of the group is that they are all rich," says Cleve Scarbrough, director of the museum.

Situated on a bluff overlooking the Tennessee River, the Hunter is a museum devoted to American art, with an emphasis on early 20th-century work. The mission of the buying trip to New York was to purchase works by living American artists. Once the Collectors Group arrived here, it went about its mission with the determination of an invasion force. With advice from well-placed friends in the art world, including curators at other museums, appointments had been made at 12 galleries. The group ran in and out of 7 SoHo galleries the first day and visited 5 uptown galleries the following morning.

At each stop they were met by the owner, and the routine was the same. It began with Joseph Davenport Jr., chairman of the group and a longtime collector of American art, blowing his whistle to command silence and delivering a poor-mouth speech. "We are a small museum, and we have very limited funds," Davenport, whose wife calls him Big Daddy, would say heartily in his Tennessee drawl. "We know very little about contemporary artists. We are here to learn."

"Do you give a discount?" he always added. Galleries usually give museums a discount of 10 or 15 percent.

Forty-five minutes and dozens of works later, Davenport would again blow his whistle. "We're going to take a vote," he would announce. The purpose of the on-the-spot voting was to get an idea of what the group liked and disliked. Those works that drew a strong show

At the Dintenfass gallery, Davenport made an announcement that everyone found amusing at first. "What we need is more money," he said. Everyone chuckled. "I want you to think about how much more money you can give the museum by 1:30 this afternoon." People stopped laughing.

of hands were photographed by Scarbrough with a Polaroid camera for future reference.

The group was warmly greeted everywhere, except at the Mary Boone gallery in SoHo, where Boone kept everyone waiting nearly half an hour. When she finally showed up she made no effort to sell anything. Pointing to a painting by Julian Schnabel, who has been publicized as the star of her stable, she sniffed, "You've read so much about him already, so I'm not going to talk about him."

"She wants to get rid of us as fast as I'm going to ask a lot of questions," Mrs. Davenport whispered to her husband in an annoyed tone.

By the second morning of the expedition, the group was getting bleary-eyed. Mrs. Robert Caldwell, the wife of an investment consultant, said with a sigh, "It's like picking out wallpaper. After the first book, it's all over."

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The group finished its gallery-hopping a little after 1 P.M. and went for lunch. While everyone else was relaxing over cocktails, a special committee of four was going through all the Polaroid pictures and narrowing down the group's final selections to 29 works. The four were Ruth Holmberg, chairman of the board of trustees, Davenport, Scarbrough and William Henning Jr., the Hunter's curator.

The people of Chattanooga probably expect us to come back with something kooky,"

Davenport remarked. "They don't know what artists have been doing in the last 20 or 30 years."

When everyone sat down to eat, Davenport announced, "We have raised \$20,000 this morning, so we now have \$80,000 to spend." Within seconds, another \$5,000 was pledged. "I've never been to a telethon before!" Davenport exclaimed.

He called for a vote to start eliminating works from consideration. To the surprise of everybody, the 14 pieces that were left after the first round came to \$84,960. There was something to please virtually every taste in art, from realism to the abstract to the downright playful. Most of the works were paintings, but there were also a few sculptures and collages.

The most expensive purchase was a colorful abstract painting by Jacob Lawrence called "The Apartment," which the group bought from the Dintenfass gallery for \$22,500. The group spent \$48,600 at Dintenfass, where its other purchases included "Girl With a Sheet," Sidney Goodman's portrait of a bare-backed woman (\$13,500), and "Homage to Magritte," a wood sculpture by Harold Tovish (\$9,000).

The complete list of purchases:

"The Apartment" by Jacob Lawrence. Gouache. \$22,500.

"Orange Lamp and Oranges" by Janet Fish. Oil on canvas. \$16,200.

"Girl With a Sheet" by Sidney Goodman. Oil on canvas. \$13,500.

"Homage to Magritte" by Harold Tovish. Wood sculpture. \$9,000.

Untitled pencil and pastel drawing by Jack Tworok. \$4,950.

"Sitting by the Sea" by Sidney Goodman. Watercolor. \$3,600.

"Big Julie" by Alan Siegel. Enamelled oak in two sections. \$3,150.

"Suzanne Painter" by Robert Bechtle. Watercolor. \$3,150.

Untitled drawing, photosilkscreen with collage, by Liliana Porter. \$2,700.

"Ryan 66" by Nathan Oliveira. Monoprint. \$2,475.

Untitled hemisphere floor sculpture by Gary Burnley. \$1,620.

"Burnout" by Barton Lidice Benes. Collage. \$900.

"No. 94" by Susanna Briselli. Handcolored photograph. \$765.

"Floating Fear" by Bryan Harrington. Collage. \$450.

A few weeks later, the collection was hung in the Hunter's modern new wing, which is adjacent to the elegant 1904 mansion that houses most of the museum's collection. A crowd of Chattanooga's leading citizens turned out on a warm spring night for the opening.

"It looks better here than it did in the stores," said Phil Whitaker, an attorney who was part of the Collectors Group — and who picked up a painting for his own home at one of the New York galleries. "Everyone wants to do it again next year. We should up the ante."

No one seemed happier than Davenport. "I've been involved in the community for 25 years," he said with a grin, "and I've never had more fun."

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## TRAVEL

## Restaurants: Provence in the Fall

by Patricia Wells

**G**ORDES, France — The problem with Provence is that once you're here amid the tiny hilltop villages, the rolling acreage of vineyards and the colorful outdoor markets that seem to move en masse from town to town, day to day, you never want to leave. One is perhaps even more captivated by Provence in the fall, when the markets, vineyards and villages are pretty much turned back to the locals, and you can feel smug about the fact that your vacation's just begun while the rest of France is reinstalled in the office and the schoolyard.

The fact that summers in this part of France are long and consistently warm means that though the calendar says fall, the sky says summer, and one can profit well from the long, dry and breezy days. The grape harvest has already begun in the Côte du Rhône region, and the outdoor market stalls are filled with the last of the perfumed Cavaillon melons and rosy Rhône Valley peaches, while the spicy, fragrant *muscat de Hambourg* grapes are just beginning to reach their prime.

Dining out in the northern reaches of Provence this time of year is equally satisfying, especially if one is charmed by parasoled terraces and stunning, expansive views of the Rhône Valley. By and large, wine lists in the region's restaurants provide a rare opportunity to sample older vintage Côte du Rhône as well as well-chosen, lesser-known local wines at affordable prices. Unfortunately, in some instances the wine lists, setting and decor outshine the cuisine and the service.

One of the loveliest restaurants in the region is Les Bories, a tiny Auberge with a crisp, intimate dining room and shady terrace for fine-weather dining. Installed beneath the fig and olive trees on a sunny afternoon, with a carafe of young, golden Châteaufort-du-Pape, the diner may decide there's nowhere else on earth he'd rather be.

The food is as well thought out and welcoming as the setting, with a light, creative menu that offers fine fish selections, an assortment of meats grilled over a wood fire, and certainly one of the finest *tartiflette* in France. The attentive chef, Gabrielle Rousselet, also specializes in wild game dishes, offered here from Oct. 10 through the end of February.

The *salade folle* — a platter of crayfish, thin, cured slices of duck breast, fresh beans and greens — is a pleasant version of this popular nouvelle starter, and one that shows off the kitchen's deft touch. The *turbot aux poivrons rouges* — carefully poached turbot in a creamy sauce, topped with thick slices of roasted red

peppers — is also appealing, though served with a bit too much sauce. The grilled rack of lamb is as classic and correct as can be, served with an assortment of tomatoes, carrots, green beans and garlic. Sample the 1970 Hermitage from the house of Jaboulet to discover just how delicate and soft this full-bodied wine can be in maturity.

Service here can be slow and unresponsive, but then if you're in a rush you'd better not bother.

On the other side of the Rhône, in rosé country, the same careful kind of cooking is going on at L'Auberge de Tavel, opened in 1978 by a young Lyonnais couple, Bernard and Françoise Bonnevaux. Tavel is hardly the most exciting village in Provence, but when in the immediate area, L'Auberge de Tavel is worth a visit, especially for those who enjoy fresh fish. Chef Bonnevaux visits the Marseilles market three times each week to assure that what he serves in Tavel is fresh, and seems to take equal care with his meat and poultry. Best dishes here include the *cassoulette d'hiver de Bouzigues aux pommes* (an unorthodox combination of lightly cooked oysters and poached apples); *goujonnettes de Saint-Pierre sautées au basilic* (firm white John Dory brightened with fresh basil) and *caneton rôti au coulis d'orange et miel* (roast duck served in two courses with two sauces).

Cheese and dessert courses are neither exciting nor remarkable, though the 85-franc menu (about \$12), with service included, offers travelers good food for the money. The decor here is a bit dreary, with a distracting selection of paintings on the walls, and service is pleasant though slow and amateurish.

One of the most appealing villages in the Vaucluse is Séguret, one of those 15th-century hilltop spots designed for the impatient traveler. You can see the town on foot in 10 minutes flat, wandering up and down the narrow steps that lead to a fantasy world of stone houses, some carefully restored, others standing there waiting with fallen roofs and open arms, ready to fuel the imagination of the would-be handymen of the world.

Just outside town, there's a most pleasant table d'hôte, named *Domaine de Cabasse*. Open by reservation only, it's run by Nadine Latour, one of the few women in France to also put her name on a wine label. The house wine is, of course, *Domaine de Cabasse Côte du Rhône*, a decent though undistinguished wine made from grapes grown on the flat lands circling this Provencal hilltop. The food here is homey and good, with a fixed menu that changes from day to day. On a recent Friday evening, Latour offered a delicious and filling *gratin d'aubergines* followed by stewed rabbit

in a well-flavored sauce of capers, baby onions and vinegar. Food is served family-style, and diners help themselves from large white porcelain casseroles and platters.

The dining room is lovely, with its red tile floors, white French doors, antique cupboards and simple Provencal chairs. Service is strangely impersonal and uniform. Since there's no menu, one expects that dishes will be explained as they're presented. But in one case, the waitress had no idea what the first course was, and had to return to the kitchen to inquire about its contents.

In the village of Séguret, the glass-walled dining room of La Table du Comtat offers a most spectacular view of the Rhône Valley and surrounding hilltop towns. Here, the food is less interesting than it ought to be, though I'd return again for the wine list, the view and the excellent selection of local *chèvre*, or goat cheese.

The wine list offers a wide selection of Châteaufort-du-Pape and Côte-du-Rhône vintages, which marry well with house specialties that include a good *suprême de caneton poêlé aux oignons confits* (thin strips of sautéed duck with a confit of onions) and a pleasant roast lamb flavored with garlic and herbs. The cheese tray includes a selection of five or six local *chèvres*, including a remarkable Picodon, clean-tasting and slightly dry.

Les Bories, Route de Sénanque, 2 kilometers north of Gordes via D 177, 84220 Gordes, tel: (90) 72.00.51. Open for lunch only. Closed Wednesday and Dec. 1 to Jan. 1. No credit cards. About 200 francs a person, including wine and service.

L'Auberge de Tavel, 30126 Tavel, tel: (66) 50.03.41. Closed Monday (except in July, August and September) and Feb. 1 to March 13. Credit cards: American Express, Diners Club and Visa. Menus at 85 and 134 francs, service included. A la carte, about 185 francs, including wine and service.

Domaine de Cabasse, in Séguret 10 kilometers southwest of Vaison-la-Romaine via D 88, 84110 Vaison-la-Romaine, tel: (90) 36.91.12. Open for dinner only, by reservation. Closed from Sept. 20 to March, except for the Christmas holidays. Table d'hôte menu, about 110 francs a person, wine and service included. Credit cards: Eurocard and Visa.

La Table du Comtat, in Séguret 6 kilometers southwest of Vaison-la-Romaine via D 7, 84110 Vaison-la-Romaine, tel: (90) 36.91.49. Closed Tuesday evening and Wednesday (except in July, August and September), holidays, and mid-January to the end of February. Credit cards: Diners Club and Eurocard. Menus at 80, 120 and 200 francs. A la carte, about 200 francs a person, including wine and service.

## Clubs for Special Travelers

by James T. Yenckel

**W**ASHINGTON — Ever wonder how many countries a traveler would have to visit until there was no place new to go? The Travelers' Century Club, a U.S. organization whose members must have stopped — if only briefly — in at least 100 countries, currently lists 309 international destinations that it regards as qualifying countries, island groups or other localities. (The United Nations, incidentally, has 157 member countries.)

To set foot in all 309 is to triumph in the game of one-upmanship. Anytime the conversation turns to travel, you will always have been some place others have never seen. As far as anybody knows, a perfect score has not yet been achieved.

Some locations on the list are not actually countries in their own right, the Los Angeles-based club points out, but "they have been included because they are removed from parent countries, either geographically, politically or ethnologically."

An example is Easter Island, which belongs to Chile but is more than a four-hour jet flight from the Chilean coast. An applicant for membership who has visited both gets credited for two destinations. The same goes for someone who has visited both Asian and European Turkey. A swing around Antarctica would net 11 credits for each of the nations claiming territory there. Alaska and Hawaii count separately from the continental 48 states.

Founded in 1954, the 800-member organization annually sponsors a group tour to a location off the standard tourist path — this year to

Micronesia. The initiation fee is \$25, with annual dues \$15. To qualify, a visit can be as short as an airplane refueling stop.

The club's purpose, though, is not to collect countries, explains its president, Chiles Brown, associate vice president of California State University at Fullerton (120 sites to his credit), but to promote international understanding through travel.

Nevertheless, some members do travel mainly to pick up new destinations. One deceased member, so club legend goes, made provisions in his will to have his ashes scattered in the places he had not reached while still alive. At the moment, says Brown, the most any live member has visited is 258.

Another organization that attracts the well-traveled is the Circumnavigators Club, an 850-member group based in New York. The primary qualification is to have circled the globe. When the club was founded in 1902, that might have earned you a one-upmanship prize, too, but in the age of jet travel, admits the club's administrative secretary, Helen Jost, an around-the-world trip has become fairly common.

Membership is made up chiefly of people in science, exploration and international affairs, Jost says. The club holds frequent dinner meetings for members, and sponsors a travel scholarship for students in international relations. Initiation is \$25, with a \$75 annual fee. New members must be proposed by a current member, but the club can arrange introductions.

For more information on the Travelers' Century Club, 8033 Sunset Blvd., Suite 9, Los Angeles, Calif. 90046. For the Circumnavigators Club, 24 East 94th St., New York, N.Y. 10016.

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## International Datebook

## AUSTRIA

VIENNA, Karlkirche — Sept. 25: 26: Ruth McGuire organ, Margit Urbanetz-Vig violin (Corea Bach).  
Konservatorium (tel: 72.12.11).  
Sept. 28: Dorel Eisinger piano (Bach, Schumann).  
Sept. 30: Vienna Symphony/Haydn Trio, Christoph Eschenbach conductor (Schubert, Beethoven).  
Musikverein (tel: 65.56.81).  
Sept. 25, 26: Vienna Philharmonic, Lorin Maazel conductor (Mahler).  
Sept. 27: Counterpoint Ensemble, Peter Kerschinger conductor, Gerhard Turschach oboe (Respighi, Rubin).  
Sept. 28: "La Bohème" (Puccini).  
Ballet — Sept. 27: "Roméo and Juliet" (Prokofiev).  
Sept. 28: "The Barber of Seville" (Rossini).

## BELGIUM

BRUSSELS, Musées Royaux des Beaux-Arts (tel: 513.96.30) — To Dec. 5: "Magritte and Surrealism in Belgium."  
Palais des Beaux-Arts (tel: 512.50.45).  
Sept. 26: Belgian National Opera, Ronald Zollman conductor, Malcolm Frager piano (Tchaikovsky, Prokofiev).  
Théâtre Royal de la Monnaie (tel: 218.11.00).  
Sept. 25, 26, 30: "Idomeneo" (Mozart).

## ENGLAND

LONDON, Aldwych Theatre (tel: 836.64.04).  
MUSICAL — From Sept. 28: "Andy

Capp," starring Tom Courtenay.

Barbican Centre (tel: 628.57.95).

Barbican Hall — Sept. 25: Royal Philharmonic Orchestra, Julian Lloyd Webber cello (Handel, Elgar).

Barbican Theatre — Sept. 27-Oct. 6: "Poppy" (Nicholls).

The Pit — Royal Shakespeare Company — Sept. 25, 27-30: "The Winter's Tale" (Shakespeare).

Edmondson (Delella Ford/Rosley).

British Museum (tel: 636.15.55).  
To Jan. 5: "Great Moravia: The Archaeology of 9th-Century Czechoslovakia."

Donmar Warehouse Theatre (tel: 836.10.71).

New Morning (tel: 533.51.41) — Sept. 28-30: Memphis Slim Trio.

Palais de Chailot (tel: 727.97.77) — To Oct. 31: "Romans: Mural Painting of the Roman Empire."

Pleasure and Normalcy.

Sept. 28: Concerts (tel: 758.27.78) — To Oct. 26: Gamm Song and Dance Ensemble — "The Silk Road."

Paris Opera (tel: 24.05.08) — Sept. 27, 30: "Eugene Onegin" (Tchaikovsky).

Ballet — Sept. 25, 26: "La Sylphide" (Schmetzdorff).

Salle Gaveaux (tel: 563.20.30).  
Sept. 29: Janis Vokoris piano (Prokofiev, Brahms).

Sept. 30: Alice Adler piano (Chopin, Liszt).

Salle Pleyel (tel: 563.88.73) — Sept. 28: Oscar Peterson Trio/Joel Pass.

Sept. 29: Ella Fitzgerald and Trio/Comet Bass and Orchestra/Oscar Peterson Trio.

Sept. 29: Philharmonia Orchestra, Vladimir Ashkenazy conductor, Lynn Harrell cello (Walton, Messiaen).

Sept. 30: London Symphony Orchestra, Claudio Abbado conductor, Isaac Stern violin (Sibelius, Mahler).

Tate Gallery (tel: 821.13.13).  
To Nov. 7: "Howard Hodgkin's Indian Leaves."

To Nov. 15: "Watercolors and Drawings by Rossetti."

## FRANCE

PARIS, Casino de Paris (tel: 694.26.22).  
Sept. 27: King Crimson.  
To Oct. 24: Rome Opera Ballet — "Eroica Sinfonia" (Satie).  
Eglise Saint-Médard (tel: 276.47.10) — Sept. 28: Camille Frémont/Cole G'Amor Orchestra, Philippe Brasseur conductor, Bernard Soustrot trumpet (Handel, Mendelssohn).  
Musée des Arts Décoratifs — To Dec. 19: "Roy Lichtenstein."  
New Morning (tel: 533.51.41) — Sept. 28-30: Memphis Slim Trio.  
Palais de Chailot (tel: 727.97.77) — To Oct. 31: "Romans: Mural Painting of the Roman Empire."  
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To Nov. 7: "Howard Hodgkin's Indian Leaves."  
To Nov. 15: "Watercolors and Drawings by Rossetti."

## GERMANY

BERLIN, Deutsche Oper (tel: 341.49.49).  
Sept. 25: "La Bohème" (Puccini).  
Sept. 27: "The Magic Flute" (Mozart).  
Sept. 29: "Madame Butterfly" (Puccini).  
Philharmonie (tel: 24.92.51).  
Sept. 26: Bavarian Radio Symphony Orchestra, Rafael Kubelick conductor (Janacek, Bruckner).  
Sept. 28: Berlin Symphony Orchestra, Theodore Bloomfield conductor (Wagner, Beethoven).  
Sept. 30: Berlin Philharmonic Orchestra, Herbert von Karajan conductor (Mahler).  
FRANKFURT, Alte Oper (tel: 661.13.40).  
Sept. 26: Rheinland-Pfalz Philharmonie, Christoph Eschenbach conductor (Mozart, Bruckner).  
Sept. 29: Young German Philharmonie, Charles Dutoit conductor (Mahler, Gubaidulina).  
Fahrradtheater Halle Hochstet (tel: 30.10.50).  
Sept. 25: Paris Orchestral Ensemble, Jean-François Walzer conductor/violin (Mozart, Debussy).  
MUNICH, Bayerische Staatsoper (tel: 22.13.16).  
Sept. 25, 28: Ballettabend ("La Sylphide," "Sinfonia in D").  
Sept. 26: "Simon Boccanegra" (Verdi).  
Sept. 29: "Otello" (Verdi).

## HONG KONG

HONG KONG, City Hall (tel: 522.99.28).  
Concert Hall — Sept. 27-29: Bamberg Symphony Orchestra, Leopold Hager conductor (Mozart, Beethoven).  
Oct. 2, 3: Wang Kwong Chinese Orchestra, Li Chun-sang conductor ("The Butterfly Lovers/The Chant of the Convalescent").  
Radio Hall — Sept. 29: Marina Hoek piano (Prokofiev, Beethoven).  
Museum of Art (tel: 222.41.27) — To Oct. 3: "Contemporary Vision of Landscape." "Southern Asian War: 18th century."

## IRELAND

DUBLIN, Theatre Festival (tel: 77.84.30).  
Abbey Theatre — Sept. 30-Oct. 9: "Kolbe" (Forster), Abbey Theatre Company.  
Eblana Theatre — Sept. 27-Oct. 3: "Pia de Dour" (Claus), Belgian/Dutch Theatre Company.  
Focus Theatre — Sept. 27-Oct. 9: "Louvain 1915" (Field), Focus Theatre Company.  
Gaiety Theatre — Sept. 28-Oct. 2:

## JAPAN

TOKYO, Bridgetown Art Museum (tel: 563.02.41) — To Nov. 3: "Rembrandt" (from the Hermitage, Leningrad).  
Yokohama City Hall (tel: 461.24.80) — Sept. 28: Hans Gisel piano (Haydn, Beethoven).  
Live in '82 (tel: 357.31.01) — Sept. 27, 28, Oct. 1-5: American Chamber Ballet — "La Domestique/Romantic/Black Cockroach/Pas de Deux."  
Kojima Art Museum (tel: 571.52.54) — To Oct. 24: "Feminine Beauty in Woodblock Print: 1900-1930."  
Shinjuku "Bunko" Center (tel: 321.13.30) — To Oct. 24: "Bunko" piano (Chopin, Schumann).  
Tokyo Symphony Orchestra, Kenjiro Kobayashi conductor, Ando Naoyuki cello (Dvorak, Tchaikovsky).  
Oct. 2: Vienna "Dance Ensemble" — "Dance Antiques."  
Ueno Park (tel: 950.04.01) — Sept. 26 at 1:00 a.m.: International Japanese Bicycle Tour.  
Sept. 27: Vassu Tamara Indian Dance Institute — "Shakti's Universe IV."

## NETHERLANDS

AMSTERDAM, Concertgebouw (tel: 713.45.45).  
Sept. 25: Amsterdam Philharmonic Orchestra, Anton Kuusik conductor, Ronald Mann violin (Wagner, Beethoven).  
Sept. 26: Utrecht Symphony Orchestra, David Zisman conductor, Yoel Egoz piano (Chopin, Brahms).  
Sept. 29: Mario Montal piano (Brahms, Liszt).  
Stedelijk Concertgebouw (tel: 24.23.11).  
Sept. 27, 28: Netherlands Opera — "La Schiava Liberta" (Donizetti).  
Sept. 28: Netherlands Dance Theater — "Chast. Dances/Four Sen. Interludes."  
Stedelijk Museum — To Oct. 3: "De Stilj retrospective, 1917-1923."

## SWITZERLAND

ASCONA, International Music Festival (tel: 093/35.55.44).  
Eglise de Collina d'Oro — Sept. 28: Yvonne Bichsel (Berthoud, Bruch).  
Eglise de San Francesco Locarno — Sept. 30: New Orleans Philharmonic Orchestra, Andrew Manney conductor, Cynthia Katin piano (Debussy, Rachmaninoff).  
BERN, Abegg Foundation (tel: 80.12.01) — To Oct. 24: "History of Lieder: 16th-19th century."  
UNITED STATES  
NEW YORK, Actors and Directors Theatre (tel: 279.42.00) — "Tuesdays," Larry Loomis director, starring Kevin O'Connor.  
Guggenheim Museum (tel: 860.13.00) — To Nov. 7: "Northern Visions" (Scandinavian artists).  
Metropolitan Museum of Art — To Nov. 10: "Hendrik Goltzius and His Circle."  
Museum of American Folk Art (tel: 581.24.74) — Sept. 29-Jan. 2: "A Prairie Vision — The World of Old Kraus."  
Passage Terminal Pier, West 48th St. (tel: 581.24.74) — Sept. 29-Oct. 3: Fall American Antiques Show.  
To Oct. 23: "After De Still: The New Photography in Holland."  
WASHINGTON, Ford's Theatre (tel: 347.48.33) — "1,000 Years of Jazz" (New Orleans revival).  
Kennedy Center (tel: 857.09.00).  
Concert Hall — Sept. 28, 30: National Symphony Orchestra, Garrick Ohlsson piano (Beethoven, Stravinsky).  
Oct. 3, 4: Amsterdam Concertgebouw Orchestra, Bernard Haitink conductor (Mahler, Beethoven).  
Opera House — Sept. 28-Oct. 2: Alvin Ailey American Dance Theater — "Thais/Blues Suite/Memoria."  
Tennessee Theatre — Oct. 2, 3: "A Soldier's Tale" (Stravinsky), narrated by Claire Bloom.

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## A Florida Hotel for Nudists Only

**L**AND O' LAKES, Fla. — Business at the United States' first nudist condominium-hotel is, as they say, outstripping expectations. "It's amazing the incredible response we've gotten," says James Lake, consultant to the Paradise Lakes Hotel near Tampa. "We've had wall-to-wall bodies here."

Lake says the hotel, which occupies half of a 200-unit nudist condominium built last year, boasts about an 80 percent occupancy rate. The Land O' Lakes Chamber of Commerce confirms a worldwide interest in the hotel, which opened late last year.

The first 100 condominiums already have been sold, and Lake says a 97-unit second phase is under construction. The two-bedroom units will sell for about \$42,000. The hotel offers a restaurant, cocktail lounge, maid service, swimming pool, tennis courts, volleyball courts, disco dancing, live orchestras and water skiing.

According to the American Sunbathing Association, which claims 25,000 nudists as members as well as 150 U.S. nudist parks, the Paradise Lakes is the first nudist condo-hotel complex in the United States.

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## WEEKEND

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## HOLIDAYS

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TRAVEL

# Portugal's 'Pleasant Inns'

by Paul Lewis

**E**VORA, Portugal — The white-walled city of Evora beckons invitingly from the summit of the hill it crowns as the end of a hot day's drive across the surrounding plains of the Alentejo, the expansive flat land south of Lisbon. The Alentejo is often called Portugal's breadbasket because of its immense dusty cornfields dotted with steady, cork groves and the ruins of castles that once guarded its eastern border with Spain.

The prospect of a night's rest at Evora, the administrative capital of the Alentejo and widely regarded as among the best-preserved 17th-century Portuguese cities, becomes even more attractive if the traveler has a reservation at the Pousada dos Lóios. This establishment is one of the most attractive and historic of the 25 such government-run inns to be found all over the country, often in truly spectacular locations. The inns combine relatively low prices with a high standard of comfort and cuisine.

Portugal's *pousadas* — literally "pleasant inns" — are modeled on the better-known *paradores* of Spain, which the Franco government hoped — in vain, it now seems — would reduce regional frictions by encouraging Spaniards to travel around the country and get to understand each other's ways. Whether the government of the late Antonio de Oliveira Salazar, which established the first Portuguese *pousada*, also hoped these inns would have a soothing effect on the population, I have never been able to discover. In any case, Portuguese *pousadas* must be judged among the best tourist bargains in a country that is itself a bargain.

I have enjoyed staying in many *pousadas*, or just visiting them for a good meal. Few tourists will easily forget the dizzy drive up the Serra da Estrela mountains in central Portugal, near the Guadalupe frontier crossing into Spain, to reach the Pousada São Lourenço, perched on a craggy peak with spectacular views and the atmosphere of an Alpine ski chalet.

No less memorable is the Pousada do Infante on the high, windy cliffs at Sagres on the country's extreme southwest tip, where Henry the Navigator founded the famous navigation school that sent Portuguese sailors off to discover Brazil and explore the west coast of Africa. Also not to be forgotten is the *pousada* on the Ilha das Berlengas — a converted fort standing on a rocky outcrop in the Atlantic at Cape Carvoeiro, some 50 miles north of Lisbon.

Yet the Pousada dos Lóios remains my favorite over many of the country's more spectacularly sited "pleasant inns," because it brings the visitor face-to-face with a national paradox.

Staying there and visiting Evora offers a chance to sample the flavor of one of Portugal's most ancient cities, once a celebrated seat of Western learning and the site of many great events in the country's history. Yet the spirit of the Pousada dos Lóios and the town around it seem unaffected by the nation's extraordinarily long imperial age, during which it not only founded a great empire but also managed to hold onto vast colonies in Africa and the Far East long after the Spanish Empire had disappeared.

Evora is small-scale, delicate and pretty — never grandiose or brooding. The beauty of empire is strangely absent. In this sense it typifies the way in which Portugal's architecture, along with its people, constantly belies its history and achievements.

Once past the city's crenellated wall, follow

with vaulted ceilings, worn stone floors and stout pillars, which have been decorated with colorful handwoven rugs of the region, comfortable armchairs and antique chests and tables. The overall impression is more of a small castle than a monastery. A broad marble staircase leads up to the bedrooms, many of them old monk's cells, reached through a low prisonlike door with a peephole. All have bathrooms and are comfortably simply furnished with hand-crafted chestnut furniture.

The bar downstairs is an old chapel decked out with red velvet sofas and chairs and a big brass still once used by the monks for making spirits. Today the stock of wines and spirits is displayed behind the ornate grill that once hid the altar. Another example of the sacred made secular with good effect is the old cloister, running round four sides of a big internal courtyard. This has been glassed in to provide the *pousada* with an elegant dining room, overlooking the small garden and fountain in the middle.

In one corner of this cloister-dining room an imposing carved stone doorway leads into the old chapter house, now a lounge. Twisted folds of carved stone cloth cascade down from a Moorish helmet over the arch to form two ornate pillars on each side of the door. For centuries Evora, like the rest of the Alentejo, was under Moroccan rule; and this doorway shows how Moorish art came to influence the highly ornate Mannerist architectural style popular in 15th- and 16th-century Portugal.

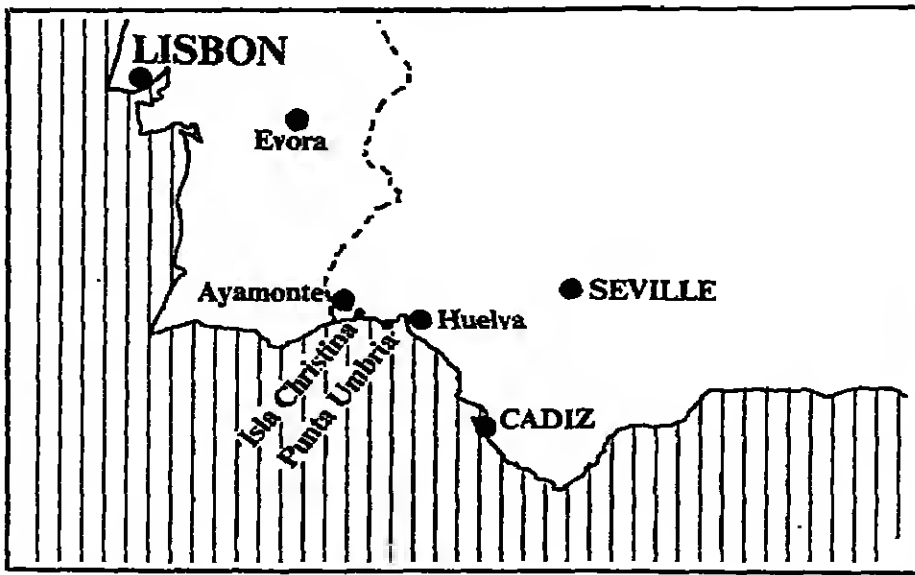
The Pousada dos Lóios, like all *pousadas*, maintains a high standard of cooking, based on local cuisine. One night I dined on a rich vegetable soup, heavily flavored with garlic and typical of the Alentejo. This was followed by a white fish in a spicy sauce and roast turkey with a vegetable stuffing. For dessert there were marzipan cakes, another local specialty, while I drank — and recommend — the heavy red wine from the nearby village of Borba.

The Pousada dos Lóios stands at the summit of a hill town that almost became the country's capital. Medieval kings of Portugal sometimes lived there and in 1340 Alfonso IV began from Evora the final campaign to drive the Moors from the Alentejo.

Yet today Evora is still the small sparkling-white town it was in the 17th and 18th centuries. Behind the *pousada* stands the gray-cathedral with its distinctive beehive-shaped tower. Though built in the Romanesque period, it is also described as the country's first Gothic church because of its 14th-century cloister. Around the temple of Diana are arranged palaces and convents with pastel-colored facades edged in marble, as well as the city museum, full of art and sculpture from the days when Evora was a center of fashion, culture and power.

From the square, the narrow cobbled streets with pavement decorated in patterns of black and white marble chips cascade down under arches into small sunny plazas with splashing fountains. Visit the old Royal Palace with its mixture of Arab and Renaissance architectural styles, and the nearby Church of São Francisco with its macabre Capella dos Ossos — a chapel whose walls and roof are covered with the bones of some 5,000 monks. A poem at the door asks the visitor: "Where are you off to so fast? No business is more important than the one you see presented here."

If you are thinking of visiting Portugal's *pousadas*, a word of warning: Try to get firm reservations in advance. This is partly because all the *pousadas* are very small, usually with no more than 20 rooms, but also because it is often impos-



## An Older Spain On the Coast of Light

by Maria Eder

**H**UELVA, Spain — Unlike the Spanish seaside resorts on the Mediterranean — full of pebble beaches and tourists — the towns on the Atlantic between Cadiz and Portugal, the *Costa de la Luz*, are set on sand beaches and are virtually untouched by foreign influence.

These villages of the province of Huelva remain as profoundly Spanish in life and tone as they were 50 years ago. Until the mid-1970s, the province was known only nearby as a vacation spot but, because of a government cam-

There is no need to look for evening entertainment in Punta, or in any of the towns. In a bar, or on the beach, entertainment is generated by the Spaniards themselves. Needing only wine and company to get an evening going, they might ask a visitor to join them.

paign to promote the Coast of Light, the area's unadorned beauty of summer and fall has become more accessible to visitors. Hotels and restaurants are opening, and train and bus service to and from the towns along the coast has been improved.

From Seville, a tourist can either rent a car or take a bus to the province's capital, Huelva, about 60 miles (100 kilometers) to the west. Huelva — the port Christopher Columbus set out from when he found America — is now one of Spain's major industrial cities, slowly being eroded by sulphur gas and neglect. About all that is worth visiting is the bus depot, to travel to the coastal village, Isla Cristina (Isla), Punta Umbria or, on the border with Portugal, Ayamonte.

The road to the coast winds through pine and eucalyptus forests, a purple road at sunset, fragrant with the air of twilight. The bus driver, after telling you what hotel to stay at in Isla, swears that "there is nothing better in the world — without exaggerating, in the world — than Isla's small fried octopus for breakfast, in the café of El Dolor."

Morning in Isla Cristina: Sitting in El Dolor, refusing the octopus and drinking strong coffee, the visitor sees small trucks pass the café and pull up to the marketplace in the main square to unload crates of sardines. Cries pulled by mules rattle in behind the trucks, tipping under mounds of melons, lettuce and potatoes. Cries move from stall to stall as Isla Cristina prepares for market day.

The stretch of beach running beside the town shimmers as the heat gathers itself and waits for its hour to move in. Men and children stand silhouetted against the water's edge as they dig in the sand with their feet, looking for coquinas, wedge shells, or as they bend over their fishing nets. The fishermen, "the keepers of the village," provide its main source of livelihood.

Isla's beach is five minutes from the center of the town. Around 10 A.M., groups of families — local tourists — step out from their lodgings and walk down for a swim, accompanied always by the large women swathed in black who constitute the matriarchy of every Spanish family. Groups of young people, darkened by the sun, languorous from their late nights, glide along the sandy beach promenade, wetting themselves when it gets too hot.

By 2 P.M., the heat is white, unbearable. The beach empties as people go for a long lunch at one of the outdoor restaurants, either along the beach or in the central square. The fried seafood — salmon, sole, clams, mussels, sardines — is served with platters of tomatoes with garlic and glasses of gazpacho to start, and is followed with pork chops and lettuce salads. The food is fresh, the meal satisfying; a siesta follows. Behind closed blinds, in cool rooms, the village sleeps through the dry, hot hours between 3 and 5.

# Shopping: Lisbon Crafts

by Deborah Blumenthal

**L**ISBON — The finer things in life are never cheap, but they are almost always cheaper in Lisbon. And, unlike many other major European cities where handicrafts are found mostly in museums, Lisbon has them out in the open for sale in shops and flea markets.

Hand-embroidered bed and table linens, for example, abound at relative bargain prices: made-to-order Arraiolos rugs are the equivalent in escudos of about \$900 to \$1,800 for a 10-by-13 foot rug; ceramic kitchen tiles are a fraction of their price outside Portugal, and bulky hand-knitted woolen sweaters can be found for as little as \$8. And, if your taste runs to silver, you can find fine reproductions of antique pieces as well as such simpler modern ones as a pair of egg-shaped salt and pepper shakers that sell for about \$100.

Which is not to say that Lisbon's shops are stocked solely with the highest quality merchandise. While two of the city's top shopping areas, the Chiado — around Rua Garrett — and the Bairro — the streets between the Rossio Square and the Tagus River — are packed with shoe stores and modern boutiques, the styling and materials are only fair to good, and rarely attain the excellence of merchandise more commonly found in Italy and France.

Some of the best buys are to be found at an unimposing establishment called Principe Real, at Rua da Escola Politécnica 12-14. This small shop produces some of the world's most luxurious tablecloths and sheets in linen, or gaudy or cotton, as well as an assortment of smaller gift items. Although the shop, run by the family of the owner and sole designer, Maria Christina Castro, has had clients as prominent as the late Princess Grace of Monaco, Lee Radziwill and members of the Rockefeller family, its fine linens and gift items are not necessarily out of the average visitor's reach. Linen tablecloths, adorned with varying degrees of embroidery and lace work, run from less than \$40 to about \$450 for a 72-by-100-inch cloth with 12 matching napkins; embroidered linen placemats and matching napkins with floral patterns are about \$10 a set. The biggest bargains in the shop are the few hand-knitted infant sweaters at about \$5.

The most prized items are the ones Castro designs to order, many modeled on a client's porcelain or fabric pattern. Recently the shop completed a peony pink king-size linen sheet, lavishly embroidered and edged with Richelieu cutwork. It took the staff — who now number 20, compared with 200 before the revolution of 1974 — seven months to complete. Considering the amount of labor, the price was modest: \$264. (It is worth remembering, however, that luxury linens bring with them the costly burden of care — Castro says that it takes a full hour to press a king-size linen sheet properly.)

Madeira House, at Rua Augusta 131-135, also stocks a wide assortment of linens and small gift items. Snowy white cotton sheets with hand-embroidered borders — easier to care for than linen — cost about \$50 for a double-size top sheet with a pair of matching pillowcases. A hand-embroidered linen top sheet with two matching cases go from \$220 to \$250 for a double. And while \$90 can buy a hand-woven beige linen tablecloth with tan embroidery from northern Portugal, or gaudy or Irish linen cloths with Madeira embroidery start at \$300 for the 72-by-100-inch size, also

with 12 napkins. Other branches of the store are at Rossio 44 and Rua Augusta 246-248.

For needlepoint rugs or wall hangings, try Casa Quintão, at Rua Ivens 30-34. Fine woolen Arraiolos rugs worked in a technique known as oblique cross stitch come in fine or coarse weaves. They are named for the area where legend says they were first made by the Moors expelled from Lisbon under Manuel I. Rugs made with the finer stitch range from \$11.50 to \$14 a square foot, and those in the coarser weave from \$7 to about \$9 a square foot.

In addition to stocking ready-made rugs, the shop can reproduce any design a customer favors, including elaborate Oriental rugs and medieval tapestries.

Glazed ceramic tiles — *azulejos* — are typical of Lisbon, where they adorn the facades of buildings old and new. The patterns range from the simplest fleur-de-lis to elaborate genre scenes and landscapes several stories high. New or old, they are also for sale in tile and pottery shops throughout the city.

At Santa Anna, Rua Do Alecrim 91-97, the kitchen tile patterns — known as *culinario* — of fish, animals, fruits or vegetables, are available at about \$1.20 apiece. Other patterns, modern reproductions of antique tiles, range from about 50 cents to \$5 a tile. The shop also has a wide variety of tile-inlaid tables, chairs and wall panels as well as pottery.

Solar, at No. 68-70 Rua Dom Pedro V (Lisbon's antique row), which looks like an atelier and smells mustily of plaster, is crowded with stacks of old tiles salvaged from monasteries and palaces dating as far back as the 15th century. In both good and weatherbeaten condition, they start at less than \$5 each and go up to about \$80. Furniture, large wooden candlesticks and old pewter are also available. Eighteenth-century buff-colored pewter plates are about \$135 apiece, and a pair of tall pewter candlesticks cost \$420.

Not to be missed is Fábrica Cerâmica Vívva Lamego, a tile and ceramic shop at Largo do Intendente 25. The shop has a wide selection of modern tiles and pottery, including delicately painted dishes and an assortment of colorful planters. But the best of the shop is on the outside: The facade is covered with tile murals showing fancifully costumed figures and vases overflowing with bouquets.

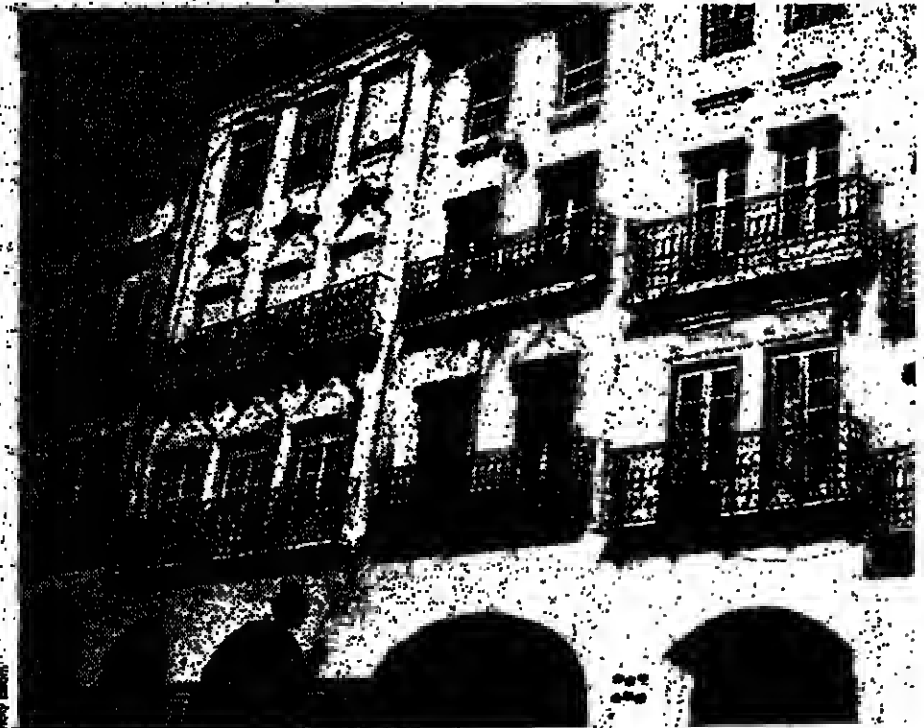
Lisbon is also synonymous with silver. Ourivesaria Aliança, in an opulent fin-de-siècle setting at Rua Garrett 50 in the Chiado, has a plethora of antique reproduction pieces including candelabra, serving trays and jewelry. An exquisite Art Nouveau tea and coffee set was \$3,650.

Joalheria Mergulhão, at 162-B Rua de São Paulo, stocks a bountiful collection of both fine original pieces and antique reproductions. Except for a precious few small gift items such as a modest silver pillow for under \$15, most of the shimmering treasure trove brings visions of stately homes and the tables of royalty.

Shopping in the city has its informal side too. Every Saturday and Tuesday bargain hunters head for the thieves' market in the Campo de Santa Clara in the Alfama quarter, the oldest section. Among stalls of new and old clothing, shoes, hardware and household goods there are such occasional finds as bulky hand-knitted woolen sweaters with bold cable stitching for as little as \$8.

Most shops in Lisbon are open from 9 A.M. to 7 P.M. and close between 1 and 3. On Saturdays, many shops close for the day at 1.

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Houses on Evora's central square, the Praca Giraldo.

the faded blue and yellow signs that say "Pousada" up narrow winding streets to the big square at the top of the hill. At the square are the ruins of an ancient Roman temple dedicated to the goddess Diana, which are the best-preserved remnants of the Roman occupation.

The Pousada dos Lóios is situated on the square, a low white building edged in brown tiles, with carved stone window frames and a stuccoed portion. It was founded in 1491 as a monastery but long ago fell into disuse. About seven years ago the Portuguese government signed it into a *pousada* and today it offers a mixture of sumptuousness tinged with austerity that is in keeping with its history.

Guests are greeted by an English-speaking manager at the reception office just inside the front door. Though the Pousada dos Lóios is one of the biggest in Portugal, it has only 28 rooms. Reservations are essential in summer and advisable in other seasons.

The public rooms are all medieval chambers

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**by Mavis Guinard**

The Dorsazes have always sold books. His interest in the supernatural led them five years ago into this field. "Nowadays, one must specialize," he says with a smile. His wife adds: "So many come to us for help. After the books, we had to have the things they mentioned. I take it very seriously. I only buy from the most reliable sources — in France, in Italy, never



The Dorsazes are doing nicely themselves and, thanks to the proximity of United Nations agencies, have built up a faithful international clientele. La Mandragore's mail-order catalogs list hundreds of items: electronic detectors, oscillators, magnets, magical stones, joss-sticks, perfumes for every sign of the zodiac, votive candles, invocations, amulets, pentacles, Tarot cards and pictures of the planets.

For the novice, there is a cabalistic do-it-

Geneva once was far less tolerant. Its last witch was burned not far from here, on April 6, 1652. ■

by Craig Claiborne  
with Pierre Franey

### CURRIED CREAM OF MUSSEL SOUP

(Continued on Page 12)



## BUSINESS PEOPLE

### Pirelli Reorganizing Its Management

The Pirelli group is reorganizing its international senior management in response to "market demand" and "economic circumstances," a spokesman says.

"Cables are becoming an increasingly large part of the Pirelli group," he said, and changes must be made to reflect their growing importance to the company, which had its beginnings in tire manufacturing. Cables "of every kind" — including telecommunications and power — account for 45 percent of the Milan-based company's sales, he said. Tires are in second place with 42 percent, in part because the economic slump has slowed auto sales.

As part of Pirelli's restructuring, J.D. Carr will step down as managing director of Pirelli Ltd., the London-based unit. Mr. Carr, 55, who has held the post for the past four years, will continue to serve on Pirelli's board and as chairman of Materials Purchasing Ltd., a new London-based subsidiary.

The company moved M. Moro into Mr. Carr's position. Mr. Moro, 46, was managing director of Pirelli Hellas S.A., a subsidiary in Athens.

The spokesman suggested that other Pirelli units are also likely to undergo restructuring in the next 18 months.

### Nalco Appoints President for Europe

Nalco-Chemical Co. has named Sergio Del Grande president of its European operations. Based in Paris, he succeeds Art Cosma, who plans to retire. Mr. Del Grande previously served as the specialty chemical concern's vice president, responsible for southern European operations.

In addition, Aurelio Mazzoni was named a vice president for European operations. He previously was general manager of Nalco's Italian unit in Rome. Named vice president of research was Enzo Bess, who previously was Nalco's research manager in Frankfurt.

The Oak Brook, Ill.-based chemical company's 1981 sales of \$666.6 million were up 8 percent from 1980, while earnings increased 12 percent to \$81.2 million. Nalco's 1981 annual report said international division sales were hurt "by the slow economies," particularly in Europe, where 1981 sales fell 7 percent to \$97 million and earnings 38 percent to \$7.9 million.



Sergio Del Grande

### Other Appointments

Peter M. Zuber has been named manager of the London office of Bache Halsey Stuart Shields Inc. He succeeds Will Costantini, who was transferred to Bache's New York office as head of the international division. Mr. Zuber formerly was a vice president with Dean Witter Reynolds in San Francisco.

Johnson & Johnson, a New Brunswick, N.J.-based maker of health care products, has named Giorgio Petrino a group chairman. He will be responsible for the company's units in India, Indonesia, Pakistan, the Philippines and Thailand. He will also be in charge of business development in the China.

G. Kenneth Oberhausen has been appointed director, finance, of Monsanto Co. at its Europe-Africa area headquarters in Brussels. He succeeds F.E. Rehling, who was transferred to the chemical company's St. Louis head office as general manager, intermediates, of the new fibers and intermediates unit. Mr. Oberhausen previously was controller of Monsanto's textiles unit in St. Louis.

Yves Lombard has been appointed a manager of Girard Zurich AG, a subsidiary of Girard Bank of Philadelphia. Mr. Lombard, who is in the bank's investment management department, formerly was managing director of ACLI Commodity Services (Zurich) AG.

Yasuda Trust & Banking Co. has opened a representative office in Manila, headed by Akikazu Ito. Mr. Ito previously was in the bank's international department in the Tokyo head office.

John McLean has been appointed chief manager of Midland Bank's Singapore branch and managing director of its subsidiary, Midland Bank (Singapore). He succeeds Peter White, who is returning to Midland Bank International in London. Terry Redman has been named senior executive, loan syndication department, at Midland Bank International in London succeeding Mr. McLean. In addition, Michael Wade has been appointed senior executive, Asian and Pacific region, at Midland Bank International, succeeding John Brown, who has retired.

Chinell Ltd., London, named Tim Coles managing director, succeeding James Leal, who will continue as chairman. Mr. Coles previously was chairman and chief executive officer of the advertising agency of Young & Rubicam.

Bankers Trust Co. of New York has appointed Donald B. Clark as head of the foreign department's London division. Mr. Clark previously was in Hong Kong as head of the bank's international investment management group for the Asia-Pacific region.

Fiat Auto (U.K.) Ltd., London, has appointed Pietro Quaglia managing director, succeeding Giuliano Lombardi, who returns to the automaker's head office in Turin. Mr. Quaglia previously was vice president of Fiat USA Inc. in Chicago, where he was in charge of the farm machinery division.

Ray Bachewsky has been appointed vice president, research and operations technology, at Alcan Aluminum Ltd. in Montreal and president of its Alcan International Ltd. unit. Succeeding him as vice president, Europe, for Alcan Aluminum Ltd. is Patrick J. Rich, who is president of Alcan Aluminum Europe S.A. in Geneva.

Steen Stedekne, formerly a general manager with Scandinavian Bank in London, has joined Nordic Investment Bank in Helsinki as a senior vice president and member of the executive committee. He succeeds Peter Skovran, who has joined Hambros Bank in London as a director.

Elected to the board of A.G. Becker-Warburg Paribas Becker Inc. was Jean-Yves Halberster, chairman of the Paribas group.

Hajime James Takano, who previously was with the international finance center in Bank of Tokyo Ltd.'s London branch, has been transferred to the bank's securities and debentures division in the Tokyo head office.

—BRENDA HAGERTY

## Allied's Chief Is Accustomed To All Sorts of Companies

By Barnaby J. Feder

New York Times Service

NEW YORK — If Edward L. Hennessy Jr., chairman and chief executive officer of Allied Corp., did not believe a good executive can run any type of company, he would certainly have to be nervous about the future of Allied as it attempts to merge with Bendix Corp.

Allied's agreement with Bendix could leave Mr. Hennessy running a far different company from the one he heads today. Allied is a one-time chemical company that has expanded under Mr. Hennessy's direction into oil and gas, electrical and scientific products, and electronics. Bendix is a major supplier of auto parts, machine tools and aerospace systems. If all goes as planned, Bendix will become Allied's charge even as Bendix struggles to swallow a still larger aerospace company, Martin Marietta Corp.

Analysts note that the companies' businesses overlap at numerous points, but no one is calling the proposed merger a close fit. That is not likely to daunt an executive whose successful journey from the accounting ranks at Price Waterhouse to the top at Allied has included brushes with everything from fried chicken to elevators.

"It's the sort of thing you have to expect from Ed Hennessy," said R. Shaw Bridges, an analyst who follows Allied for F. Eberstadt & Co. "I'm not surprised."

A Boston native whose father, a lumber salesman, worked 55 years for the same company, Mr. Hennessy has worked for seven diverse companies during his career, mostly in financial jobs. Along the way, he established a reputation for understanding the art of redeploying corporate assets and for decisiveness. That reputation attracted the attention of the Allied search team, which lured him away from United Technologies Corp. in 1979.

He quickly lived up to that reputation by directing Allied's purchase of Eltra Corp., a leading battery maker, for \$592 million. Subsequently, Allied pared unprofitable coal and chemical properties, expanded its presence in the oil and gas business and embarked on acquisitions of such diverse concerns as Bunker Ramo Corp., an electronics company, and Fisher Scientific, which makes laboratory supplies and instruments.

There's no telling whether Allied's proclivity for buying businesses will abate if the Bendix deal goes through, but it is bound to bring a new wave of suggestions from industry analysts that it is time for Allied to concentrate on digesting what it has already bought. Such suggestions have been circulating for some time with no apparent impact.

"It's opportunistic, but not necessarily a good deal for the shareholders," said Leonard Bogner, an analyst at Bache Halsey Stuart Shields. "Every acquisition..."

(Continued on Page 13, Col. 4)



Edward L. Hennessy Jr.

## Allied Hesitates As Marietta Buys 44% Bendix Stake

Compiled by Our Staff From Dispatches

NEW YORK — Allied Corp., which agreed Wednesday to rescue Bendix from the threat of being taken over by Martin Marietta, appeared Thursday to be having second thoughts.

Marietta said early Thursday that it had bought about 44 percent of Bendix's shares and would try to gain a 50-percent stake. That would leave both companies claiming control of the other. Bendix raised its stake in Marietta to 70 percent earlier this week but has been unable to take control of the smaller aerospace concern.

A few hours after Marietta announced its purchase Thursday morning, Allied said it had opened talks with both Bendix and Marietta, apparently in an attempt to sort out the convoluted takeover battle.

Some Wall Street analysts said Marietta might trade its newly acquired Bendix shares for independence and the Marietta shares now in Bendix hands. Under such an arrangement, Bendix might end up as a wholly owned subsidiary of Allied.

Despite the new peace talks, however, many analysts continued to predict that the fight would have to be settled in court. "This is the most incredible battle of egos I think I've ever seen," said Greg Smith, an analyst at the investment firm of E.F. Hutton & Co. Inc. "My hunch, it winds up in court."

Under the agreement announced late Wednesday, Allied would swallow Bendix, which had already swallowed most of Marietta. The oil and chemical company would pay \$1.9 billion for Bendix and then pay about \$400 million for the 30 percent of Marietta that Bendix does not already own. But Allied announced early Thursday that its offer would not begin that as scheduled, prompting speculation that the conglomerate might be seeking another type of settlement.

Marietta's purchase of Bendix shares early Thursday may have added to the urgency of peace talks by further muddying the situation. The Maryland-based company took its bite out after Bendix's last-minute legal arguments Wednesday evening failed to convince U.S. judges to block Marietta's bid.

An Allied spokeswoman said

her company put its tender offer for Bendix on hold in light of Marietta's purchase. She said that Edward L. Hennessy Jr., Allied's chairman, had met late Wednesday evening with Marietta officials, "I don't know what the results of the meeting were," she said, adding that she could not disclose the purpose of the talks. New discussions with Bendix were reopened Thursday, the spokeswoman said.

Although Bendix controls a majority of Marietta's stock and Marietta owns enough Bendix stock to claim a controlling interest, neither company has been able to oust the other's board. A dispute over that matter has been entangled in the courts for days.

Almost overshadowed in the flurry of announcements Wednesday night was an announcement from Bendix that four of its directors had resigned. Bendix said the four wrote in a letter of resignation that it had become "difficult for us to function effectively." No further explanation was given by Bendix.

The four who resigned are Donald H. Rumfeld, president of G.D. Searle & Co.; William Tavoletti, president of Mobil Corp.; William L. Cohen, a professor of public affairs at the University of Texas; and Hugh E.R. Uytendaele, a professor of business administration at the Harvard Business School. The resignations left 10 directors on the Bendix board.

Marietta said it bought the 10 million Bendix shares for \$75 apiece, or a total of \$750 million, shortly after midnight Wednesday. That was the deadline for Bendix shareholders to withdraw any shares they earlier had submitted to Marietta for payment.

Marietta also said it would buy as many as 1.9 million more shares, if they are offered by Bendix shareholders, until Marietta's tender offer expires at midnight Sept. 28.

William Harwood, director of public relations for Marietta, said early Thursday that "there's every indication" the additional 1.9 million shares would be offered by Bendix holders.

Marietta did not say how it planned to buy the additional Bendix stock, but Reuters quoted some analysts as saying Marietta

(Continued on Page 13, Col. 1)

## U.S. Consumer Prices Increase 0.3%

Compiled by Our Staff From Dispatches

WASHINGTON — A decline in food and gasoline prices kept U.S. consumer price inflation at 0.3 percent in August, an annual rate of 3.3 percent and the smallest increase in four months, the government said Thursday.

Prices moderated across the board, except for medical care, the only component in the Labor Department's Consumer Price Index that has risen substantially every month this year.

Largely responsible for August's small increase were a 0.1 percent decline in gasoline prices and a 0.3 percent drop in food costs.

The Consumer Price Index for August, before seasonal adjustment, was 292.8, which means that the goods that cost \$100 in 1967 cost \$292.80 in August.

For the first eight months of 1982, consumer prices advanced at an annual rate of 5.1 percent. If that rate held steady for the rest of the year, the overall increase would be the smallest since the 4.8 percent rise of 1976.

Inflation was 8.9 percent in 1981 and 12.4 percent in 1980.

This year's improved inflation forecast is largely the result of the stubborn recession, which has lingered longer than most economists expected.

Treasury Secretary Donald T. Regan, saying that the recession turned out to be "much deeper than any forecast had imagined it would go," admitted Thursday that the Reagan administration probably will lower its forecasts on next year's economic recovery.

In a television interview, Mr. Regan predicted a slower recovery than had been envisioned and said it was "not all bad, because if we have a slower start, we probably will have a longer period of recovery."

Mr. Regan was asked about administration forecasts in light of suggestions by Martin Feldstein, nominated to become head of the Council of Economic Advisers, that the recovery will be slower than the administration thinks.

"I think by the time we come out with the official administration forecast there'll be a melding between his views and mine," said Mr. Regan. "One or the other of us will have to give in."

Asked who it would be, Mr. Regan replied, "I think [the administration forecast] probably [will be] a shade lower. I think that what's happened is the economy is recovering at a much slower fashion than normal for recoveries in the post-World War II era. So as a result, we probably will lower our sights."

The main economic indicators of the past four months, he said, have been encouraging and, "I would say that at this moment

we've entered the recovery phase of the economy."

His advice to the millions out of work and businessmen on the edge of bankruptcy was "hang in there" because unemployment — which "unfortunately is not a statistic, that's a reality to so many people" — increases later in a recovery than other economic signs because it takes factories time to gear up for higher production.

"I think by the end of the year rehiring should begin," said Regan.

Henry Kaufman, the influential and pessimistic chief economist at Salomon Brothers, agreed with Mr. Regan that the overall economy would benefit from lower inflation, which he forecast at from 5 percent to 6 percent in 1983.

But he said this would not do much to help corporate finances and added that he did not see much room for growth either in corporate or consumer spending.

He said that increasing layoffs and high unemployment would restrain consumer spending, while the inability of corporations to raise their prices would keep their capital spending plans at current levels.

## Prices on Wall Street Lower in Profit-Taking

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed only slightly lower Thursday after an upturn in the credit markets sparked a late stock market rally.

The Dow Jones industrial average dropped almost nine points during the day but turned around in the last hour to finish off 1.75 at 925.86. Declines led advances by about four to three, and volume fell to 68.3 million shares from 131.5 million traded Wednesday.

Analysts said the broad market took on a better tone with the completion Thursday of the week's Treasury note auctions.

Bonds were also boosted by slight declines in several short-term interest rates. Stock prices have been moving in tandem with the interest rate-sensitive bond market all week.

Monte Gordon of Dreyfus Corp. said the market is having difficulty holding above the 930 level on the Dow average and becomes particularly sensitive to fluctuations in interest rates when it gets near that level.

Analysts said the market was under pressure from several forecasts of continuing weakness in the economy, including one by influential Salomon Brothers economist Henry Kaufman, who said economic growth will be subnormal for the next 12 months.

Stock analyst Laszlo Birinyi of Salomon Brothers said: "For the

last several days, trading interest has been the dominant factor in this market, as opposed to long-term investing considerations. Even on Tuesday, when the Dow rose 18 1/2 points, there was a net inflow of only \$217 million from all sources into the stock market."

Mr. Birinyi added that "the cash position of institutional investors still remains considerably higher than most people believe."

On the NYSE floor, technology stocks were among the weakest issues, victims of profit-taking after recording sharp gains recently.

Honeywell dropped 1 1/4 to 82 1/2, Hewlett-Packard 3/4 to 54, Communications Satellite 1 1/4 to 67 1/4, Motorola 3/4 to 75, and Xerox Research 1/2 to 24. Volume leader IBM was an exception to the trend, rising 3/4 to 76 1/4.

Xerox was the second most active issue and climbed 1 1/4 to 33 1/2. Xerox introduced a new line of copiers that officials said was of more significance for the company than its planned acquisition of Crum & Forster, announced Tuesday.

Woolworth was also active and rose 1/4 to 23 1/4.

### Markets Closed

All financial markets in Japan were closed Thursday for a national holiday.



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order of deposits. It also includes a number of less familiar countries, where our exceptional knowledge of local conditions can be an important advantage for clients.

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Shown at left, head office of Republic National Bank of New York, at 452 Fifth Avenue. Republic now has 32 branches in the New York area.

Member FDIC

## Dome Considering Rescue Plan From Banks

Compiled by Our Staff From Dispatches

CALGARY — Dome Petroleum Ltd. announced Thursday that it was considering a proposal by a bank consortium and the Canadian government that would provide it with fresh capital and reschedule

payments on Dome's \$7.4 billion in debt.

Dome said 50 percent of the capital would be put up by the federal government and the remainder by four banks — the Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Toronto-Dominion Bank.

### Directors' Action

In a prepared statement, Dome did not say how much new capital was involved in the proposal. The company said it would announce "its directors' decision" when Dome has had an opportunity to analyze fully the proposal and when negotiations with the four banks and the government have been concluded.

"If accepted by Dome, implementation of the proposal would be subject to the obtaining of necessary consents and approvals, the concurrence of other parties and the negotiation and execution of definitive documentation," Dome said.

Dome said the proposal was aimed at helping it overcome "current cash-flow problems while contributing to the long-term growth and active participation of the company in Canada's energy future."

The proposal also would result in a significant increase in the degree of Canadian ownership of Dome.

The company statement came more than three hours after it had thrown financial circles into a flurry of speculation by requesting a halt in trading of its stock on the

Toronto, Montreal and American Stock Exchanges.

Banking sources have previously said that Canadian banks hold about \$3.4 billion of Dome's debt.

One analyst said he had learned that Dome's U.S. bankers were meeting in New York to discuss the refinancing proposal.

A company source told Reuters before the announcement that an agreement would not be reached before next week at the earliest.

Dome approached its bankers for help in coping with its debt burden, resulting primarily from last year's takeover of Hudson's Bay Oil & Gas Co., which coincided with a slump in oil prices and

demand for its petroleum products.

The company has said it will not be able to meet a scheduled debt payment of \$1.35 billion due at the end of September.

Earlier this month, Prime Minister Pierre Elliott Trudeau denied widespread rumors that the government would rescue Dome.

He blamed Canadian banks for making "unwise" investments in the company in hopes of earning large profits and said the government could not be blamed for the lending policies of banks. At the time, however, analysts said neither the government nor the banks could afford to let Dome fail.

### CURRENCY RATES

Interbank exchange rates for Sept. 23, excluding bank service charges.

	\$	DM	FF	Yen	Sw.	£	Sfr.
Australia	0.68	0.48	0.38	0.007	0.005	0.004	0.003
Belgium	46.46	32.37	25.37	0.004	0.003	0.002	0.001
Canada	0.72	0.51	0.40	0.005	0.004	0.003	0.002
Denmark	1.01	0.72	0.56	0.007	0.005	0.004	0.003
France	6.55	4.66	3.54	0.005	0.004	0.003	0.002
Germany	1.00	0.70	0.54	0.007	0.005	0.004	0.003
Italy	1.36	0.98	0.76	0.009	0.007	0.005	0.004
Japan	163.60	114.56	89.63	1.000	0.71	0.55	0.42
Netherlands	2.36	1.69	1.31	0.017	0.012	0.009	0.007
Portugal	204.80	147.48	113.98	0.013	0.009	0.007	0.005
Spain	166.36	119.44	92.36	0.012	0.008	0.006	0.004
Sweden	136.76	97.36	75.68	0.009	0.006	0.004	0.003
Switzerland	2.00	1.46	1.12	0.014	0.010	0.007	0.005
Taiwan	20.36	14.56	11.24	0.001	0.000	0.000	0.000
UK	0.76	0.54	0.42	0.005	0.004	0.003	0.002

1 Swiss franc = 1.3661 French franc.

(\*) Commercial bank. (\*\*) Amounts needed to buy one pound. (†) Units of 100. (‡) Units of 1,000.

### U.K. Woolworth Shares Surge

Reuters

LONDON — Investors sent shares of F.W. Woolworth soaring Thursday in hopes of cashing in on a sale of the British retail store chain.

In heavy trading, Woolworth shares jumped to 70 pence (\$1.20) from 58 pence. Bidders, spurred by hopes of a bidding war, pushed the British unit's stock market value to £265 million.

But analysts said its real estate holdings, involving more than 1,000 stores in Britain and believed to be its major attraction, could be worth more than twice that amount.

Trading resumed on the London Stock Exchange Thursday after a temporary halt was ordered Tuesday when Woolworth's U.S. parent agreed to talks with the merchant bank Charterhouse Capital. The bank says it represents a group of prospective buyers, who have not been identified. The American parent owns 52.6 percent of the British unit.



### Thursday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

*This announcement appears as a matter of record only.*

September 1982

**pg**

**Pan Gulf Constructions Ltd.**  
**Pan Gulf Constructions (Dubai) Ltd.**  
**Gulf Contractors Ltd.**

**SR 94,982,014**  
**Multi-Purpose Facility**

Lead Managed by:  
**American Express Bank**  
International Group

Managed by:  
**Citibank N.A.**

**Manufacturers Hanover Trust Co.**  
Bahrain Branch

Co-Managed by:  
**Burgan Bank S.A.K.**

**Kuwait Asia Bank E.C.**

**Middle East Bank Ltd.**  
**Dubai**

**Trans-Arabian Investment Bank E.C.  
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**Toronto**

High/Low Class Class					
1074	AMCA Trd	2189	18	-14	-
1075	Adri Petr	2191	18	-14	-
1076	Adri Petr	2192	18	-14	-
1077	Adri Petr	2193	18	-14	-
1078	Adri Petr	2194	18	-14	-
1079	Adri Petr	2195	18	-14	-
1080	Adri Petr	2196	18	-14	-
1081	Adri Petr	2197	18	-14	-
1082	Adri Petr	2198	18	-14	-
1083	Adri Petr	2199	18	-14	-
1084	Adri Petr	2200	18	-14	-
1085	Adri Petr	2201	18	-14	-
1086	Adri Petr	2202	18	-14	-
1087	Adri Petr	2203	18	-14	-
1088	Adri Petr	2204	18	-14	-
1089	Adri Petr	2205	18	-14	-
1090	Adri Petr	2206	18	-14	-
1091	Adri Petr	2207	18	-14	-
1092	Adri Petr	2208	18	-14	-
1093	Adri Petr	2209	18	-14	-
1094	Adri Petr	2210	18	-14	-
1095	Adri Petr	2211	18	-14	-
1096	Adri Petr	2212	18	-14	-
1097	Adri Petr	2213	18	-14	-
1098	Adri Petr	2214	18	-14	-
1099	Adri Petr	2215	18	-14	-
1100	Adri Petr	2216	18	-14	-
1101	Adri Petr	2217	18	-14	-
1102	Adri Petr	2218	18	-14	-
1103	Adri Petr	2219	18	-14	-
1104	Adri Petr	2220	18	-14	-
1105	Adri Petr	2221	18	-14	-
1106	Adri Petr	2222	18	-14	-
1107	Adri Petr	2223	18	-14	-
1108	Adri Petr	2224	18	-14	-
1109	Adri Petr	2225	18	-14	-
1110	Adri Petr	2226	18	-14	-
1111	Adri Petr	2227	18	-14	-
1112	Adri Petr	2228	18	-14	-
1113	Adri Petr	2229	18	-14	-
1114	Adri Petr	2230	18	-14	-
1115	Adri Petr	2231	18	-14	-
1116	Adri Petr	2232	18	-14	-
1117	Adri Petr	2233	18	-14	-
1118	Adri Petr	2234	18	-14	-
1119	Adri Petr	2235	18	-14	-
1120	Adri Petr	2236	18	-14	-
1121	Adri Petr	2237	18	-14	-
1122	Adri Petr	2238	18	-14	-
1123	Adri Petr	2239	18	-14	-
1124	Adri Petr	2240	18	-14	-
1125	Adri Petr	2241	18	-14	-
1126	Adri Petr	2242	18	-14	-
1127	Adri Petr	2243	18	-14	-
1128	Adri Petr	2244	18	-14	-
1129	Adri Petr	2245	18	-14	-
1130	Adri Petr	2246	18	-14	-
1131	Adri Petr	2247	18	-14	-
1132	Adri Petr	2248	18	-14	-
1133	Adri Petr	2249	18	-14	-
1134	Adri Petr	2250	18	-14	-
1135	Adri Petr	2251	18	-14	-
1136	Adri Petr	2252	18	-14	-
1137	Adri Petr	2253	18	-14	-
1138	Adri Petr	2254	18	-14	-
1139	Adri Petr	2255	18	-14	-
1140	Adri Petr	2256	18	-14	-
1141	Adri Petr	2257	18	-14	-
1142	Adri Petr	2258	18	-14	-
1143	Adri Petr	2259	18	-14	-

## Canadian Stock Markets

Prices in Canadian cents unless marked \$

[illegible]

## Sept 27

[illegible]

## Montreal

	High	Low	Close	Change
2554 Bank Munt	5274	2774	3154	-
5250 Cap Gnd	576	576	576	-
5280 Cap Gnd	574	274	10	+ 16
441 Dom Trd A	5194	1694	1694	+ 16
2650 Innoce	5474	4724	4724	+ 16
12511 Nor Sci Bldg	8 5/8	5 1/8	5 1/8	-
4624 Power Cor	5254	5254	5254	-
19951 Royal Can	5214	274	274	+ 12
1018 Steubers A	531	31	31	+ 34
Total Sales 1,085,518 shares				

**Canadian Education**

Canadian Indexes		Sept. 23
	Mean	Previous
Montreal	381.50	384.80
Toronto	1,442.80	1,451.78
Montreal Stock Exchange Industrials Index.		
Times 100 (Sept. 22, 1982)		



## BUSINESS BRIEFS

## First Direct Broadcast License Set

WASHINGTON — The Federal Communications Commission Thursday granted the first direct broadcast satellite license to Satellite Television Corp., a subsidiary of Communications Satellite Corp.

The decision means Satellite Television can proceed with construction of facilities to begin offering direct broadcast services, including television programming beamed directly to individual homes equipped with special satellite antennas.

The first direct broadcast satellite service is not expected to be ready until 1986-87. The Commission said the first company to submit an application to offer the new television service, and the commission is expected to act on the applications of eight other companies within the next few weeks.

## AT&amp;T Unit, Philips Holding Talks

BASKING RIDGE, N.J. — American Telephone & Telegraph said Wednesday its AT&T International unit is negotiating with Philips about a joint telecommunications venture in Europe.

An AT&T spokeswoman said that the negotiations concern a cooperative agreement regarding a digital switching system for public networks. Digital switching is a highly reliable and efficient way for users to make telephone calls through a central office.

AT&T International has developed a digital switching system and Philips has been developing similar technology, she said.

## Rusco Claims \$2.7 Million Owed

LOS ANGELES — An internal audit committee of Rusco Industries has recommended that its former chief executive, Jack M. Catlin Jr., be required to pay Rusco \$2.7 million that the committee claims he cost the company through a series of insider transactions, Rusco has said.

Mr. Catlin's lawyer said Wednesday his client disputes "each and every" allegation in the committee's report. Mr. Catlin has 90 days from the filing of the audit committee's report to challenge it.

In January 1982, Mr. Catlin resigned as chairman, president and chief executive of Rusco, a window and door manufacturer, under a consent settlement of fraud charges that he had used Rusco money for his own benefit.

## Mellon to Buy Bank in Houston

NEW YORK — Mellon National Corp., a Pittsburgh bank holding company, has announced that it had agreed to acquire Mortgage and Trust Inc., a Houston-based, privately held mortgage banking concern, for about \$35 million.

Mellon said Wednesday that about half of the cost of the acquisition would be in cash and the remainder in floating-rate notes. The merger is expected to be completed by the end of the year, subject to approval by the Federal Reserve Board.

The Pittsburgh bank holding company said its decision to acquire Mortgage and Trust was based on its "compatibility with Mellon's long-term mortgage banking objectives."

Compiled From Agency Dispatches

## Japan VTR Firms Feeling a Squeeze

By Elio Taylor

TOKYO — Slower sales growth is forcing Japanese makers of videotape recorders to cut prices.

Masaru Nishizawa, electronics industry analyst with the research division of Nikko Securities, a major Japanese brokerage firm, said, "The market is facing a situation of oversupply and the key factor now in resolving this is price."

Japan's 10 videotape recorder makers led by Matsushita (Panasonic and National brands), Victor of Japan (JVC) and Sony dominate the world market, accounting for 95 percent of sales.

But analysts said that the boom years that began in the 1970s when production at least doubled annually appear to be over and that the current glut could reduce the number of manufacturers.

Videotape recorder production — described by Sumio Sano, Sony general manager, as the driving force of the Japanese electronics industry — last year rose 114 percent from 1980 to 9.5 million.

This year production will show a significantly smaller rise of around 31 percent to 12.45 million, according to the industry umbrella group, the Electronics Industries Association of Japan, and a lot will be left unsold.

Analysts said slackening demand because of the recession, and rising inventories are encouraging manufacturers to cut prices and accept lower profit margins.

Sony, which derives more than 40 percent of its total revenue from video equipment sales, reported this week that price competition was a significant factor in a 14.7 percent drop in earnings to 43.34 billion yen (\$163.68 million) in the nine months ended July 31.

Revenue from video equipment rose 42 percent from a year earlier but price competition intensified and put pressure on operating margins, the company said.

Charles Edmond, Tokyo representative for the London brokerage firm of Hoare Govett, said price is taking over from product differentiation as the main basis for competition among manufacturers in the current market, thus squeezing profits.

"Value figures are slowing down more acutely than volume," Mr. Edmond said, reflecting a need to lower prices to encourage demand.

## France Rules Out Increase in Loan

PARIS — The size of France's jumbo Euromarket loan will remain unchanged at \$4 billion, the government decided Thursday, although final underwriting subscriptions from 51 banks totaled \$5.7 billion.

Société Générale, one of the three banks co-ordinating the operation, said the over-subscription means that the commitments of the managers, which originally ranged from \$100 million to \$250 million will be scaled back 30 percent.

The 10-year loan, which pays interest of half a point over the London interbank rate, now goes into general syndication.

## W. German Current Deficit Sharply Wider for August

WIESBADEN, West Germany — West Germany continued its strong performance in trade in August, but the country's current account deficit widened sharply, the federal statistics office said Thursday.

The office said that the trade account was in surplus by 2.7 billion Deutsche marks (\$1.1 billion) in August, following a 3.7 billion DM surplus in July. The surplus on trade for the first eight months of the year was 30.8 billion DM, up sharply from a surplus of 9.9 billion in the first eight months of 1981.

The government's hope for a balance this year on the current account, which includes trade, certain financial transactions and tourism, moved farther from reach in August. The provisional current account deficit for the month was 3.2 billion DM, bringing the deficit for the year to 5.4 billion DM. The current account deficit for the first eight months of 1981 was 25.4 billion DM.

A federal statistics office spokesman said the current account deficit for July had been revised to show a deficit of 1.8 billion DM from earlier reported 1.74 billion DM.

In Frankfurt, the Bundesbank said it will offer liquidity to the domestic money market through a 10 percent cut in banks' minimum reserve requirements. The Bundesbank said the minimum reserve cut will add about 5.5 billion DM of liquidity to the money market.

But a central bank spokesman noted that two securities repurchase agreements fall due in October. The first expires on Oct. 1, draining about 7.8 billion DM of liquidity and the second on Oct. 13, draining 5.3 billion DM.

## Xerox Taking On Japanese With a New Line of Copiers

By Andrew Pollack

NEW YORK — Xerox Corp. says its new copiers are the first of a family that eventually will replace its entire product line and help it compete with Japanese companies.

The introduction Wednesday came a day after Xerox announced its entry into the insurance business through a \$1.6-billion acquisition of Crum & Forster, a move that raised doubts on Wall Street about the company's commitment to its basic copier business.

Xerox officials said the timing of the two announcements was coincidental, but they did take advantage of the product announcement to try to dispel such doubts. "This is the most significant announcement Xerox has made in many years, including the announcement we made yesterday," the executive vice president, William F. Glavin, said in introducing the new copier.

Analysts were enthusiastic. "This is one of the major steps that

will lead to a turnaround of the company in the next year and a half to two years," said Melody Johnson, who follows office equipment for Kidder, Peabody & Co.

The new line of copiers, which Xerox is calling the 10 Series, will eventually extend from small copiers for home use to giant machines that will compete with office printing, Mr. Glavin said.

The product introduced in New York Wednesday, the 1075, is a medium-sized copier that can make 70 copies a minute and is designed to make 25,000 to 100,000 copies a month.

Xerox also introduced in Paris a somewhat smaller machine, the 1045, designed for 4,000 to 25,000 copies a month, which will be available initially only in Europe.

Mr. Glavin said two smaller copiers introduced in Japan this summer by the Fuji Xerox affiliate would also become members of the new family. All the products eventually will be available worldwide, he said.

Xerox said the key to the new line was that a customer could buy

the central processor, which does the basic copying, and then choose such features as automatic collators or feeders. Previously, different features were provided by different machines.

The modular approach gives customers more flexibility and allows a single central unit to be manufactured in high volumes yet span a wide range of capabilities. This would reduce manufacturing and inventory costs and help Xerox compete with Japanese companies, whose strong point is low-cost production.

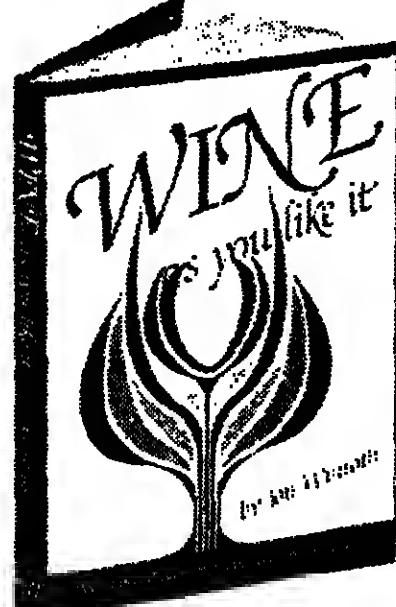
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## How a Takeover Bid Got Messy

The Associated Press

Here is a chronology of the major developments in the takeover fight involving Bendix, Martin Marietta, United Technologies and Allied:

• Aug. 25: Bendix announces a two-step takeover bid for Martin Marietta in which it would pay \$43 a share in cash for about 45 percent of Marietta's stock and exchange securities for the rest. The proposed transaction is valued at \$1.5 billion.

• Aug. 31: Martin Marietta goes on the offensive and announces a bid to buy Bendix. It offers \$75 a share for about half of Bendix and securities for the rest, making the total package worth about \$1.5 billion. Bendix turns down the offer as inadequate.

• Sept. 2: Bendix sues Marietta in federal court in New York for violation of securities laws.

• Sept. 7: United Technologies announces that it has agreed to enter the fight on Marietta's side. United Technologies says it will start a \$75-a-share tender offer for Bendix and agrees with Marietta to divide the assets of Bendix if either bidder wins control.

• Sept. 7: Bendix increases its tender offer to \$48 a share and says it will attempt to buy 55 percent of Marietta's stock, up from the original

45 percent. The new value of the proposed transaction is about \$1.7 billion.

• Sept. 15: United Technologies makes a peace initiative to Bendix, saying it would be willing to pay \$35 a share for Bendix stock if Bendix would not contest the merger. Bendix quickly rejects that proposal.

• Sept. 17: Bendix buys 70 percent of Marietta's stock under terms of its offer and demands that Marietta's directors resign. It also demands that Marietta hold a shareholders meeting so Bendix can put its own people on the Marietta board. Marietta refuses.

• Sept. 21: Bendix executives open peace talks with Marietta in hopes of ending the battle, but the talks break off without an agreement.

• Sept. 22: Marietta wins court clearance to proceed with its purchase of Bendix shares. Allied steps in and says it has agreed to buy Bendix and will attempt to acquire Marietta as well. Allied says the combined price would be about \$2.3 billion. Marietta vows to go on with its purchase of Bendix.

• Sept. 23: Marietta buys 10 million, or about 44 percent, of Bendix's shares for \$750 million, and says it will attempt to buy enough additional shares to give it a 50-percent stake.

## Allied's Chief Is Used To All Kinds of Firms

(Continued from Page 11)

tion has diluted earnings and there have been delays in turning them into net profit generators. At some point, you have to say that there is too much diluting of near-term earnings for the sake of long-term growth.

The Bendix deal is certain to raise suggestions that Mr. Hennessy has been too hasty. Gray, the master conglomerate builder at United Technologies who was his boss until Allied beckoned, Mr. Gray has aligned United Technologies with Martin Marietta in that company's complex battle with Bendix, hoping to pick up valuable portions of Bendix with a minimum outlay.

"I don't think the personal battle with Gray is valid, although everyone on the Street is sure to think about it," said one analyst who asked not to be named. "He is going to have enough troubles running Allied that he won't be thinking about how he might have one-upped Harry."

Mr. Hennessy went to United Technologies in 1972 to serve as Mr. Gray's top financial officer. He had previously held financial posts with Heublein Inc., the liquor company that owns the Kentucky Fried Chicken chain, Colgate-Palmolive Co., International

## Allied Hesitates as Marietta Moves

(Continued from Page 11)

may already have lined up the additional purchases.

Though Allied has offered to buy 55 percent of Bendix at \$85 a share, analysts said the initial part of Marietta's offer, at \$75, might still be attractive to some investors.

One analyst said Marietta presumably would be paying cash on delivery. "You don't have to wait," he said, adding, "With Allied's deal, you have to tender and wait, and you may not get the money."

In making the agreement with Allied, Mr. Agee appeared to have decided to sell out to another company rather than face a possible victory by Marietta or United Technologies, which entered the battle two and a half weeks ago on the side of Marietta.

Allied agreed to pay about \$1.1 billion, or \$85 apiece, for 13.1 million Bendix shares. To acquire the remaining shares, Allied would exchange securities valued at about \$73 per Bendix share.

Mr. Agee would become president of Allied and retain his title as Bendix's chairman and chief executive officer.

Allied said that under a separate agreement Bendix would sell to Allied its aerospace electronics group

— not including its electrical connector business — for \$800 million in cash. That transaction would go through regardless of whether the merger of the two companies was completed, Allied said.

Such clauses are common in takeover fights, offering a guarantee that a company coming to another's rescue will not wind up empty-handed.

Allied's surprise agreement with Bendix was designed to block Marietta; U.S. rules governing takeover offers delay all bids for 10 days after the entry of an offer from a new bidder. But the timing appeared to be late by one day. A Marietta attorney contended that Allied's offer did not take effect until Thursday, leaving Marietta free to start buying Bendix.

Allied ranks No. 55 on the list of the largest U.S. industrial concerns. It earned \$348 million on sales of \$6.4 billion last year. Bendix, which ranks No. 86, earned \$453 million last year on sales of \$4.4 billion.

## Mexican Government Sued By Private Banks

Reuters

MEXICO — Owners and major shareholders of 21 of the Mexican private banks that were nationalized earlier this month have filed a joint lawsuit against the Mexican government, on the grounds that the takeover was unconstitutional, court officials said Thursday.

The suit, filed Wednesday, alleges the takeover violated a number of articles of the constitution, such as the right to hold private property and the right to a fair hearing.

## VW and Fiat Report Rise in Earnings

Compiled by Our Staff From Dispatches

WOLFSBURG, West Germany — Both Volkswagen and Fiat reported improvements in consolidated earnings Thursday, but Volkswagen cautioned that it did not see any upturn in the European auto industry before the second quarter of next year.

Fiat reported that group net profit rose in the first half to 63 million Deutsche marks (\$25.2 million) on sales of 20.02 billion DM. In the first half of 1981, the group earned 15 million DM on sales of 19.1 billion DM.

Fiat, meanwhile, reported a group profit for 1981 of 90.1 billion lire (\$64 million), versus a loss of 240 billion lire the year before. It did not give sales figures. Fiat said that in the first half of 1982 consolidated sales rose to 10.7 billion lire from 9.6 billion in the first half of 1981. It did not offer a report on earnings but said that exports are in profit for all of 1982 to be about the same as 1981.

Volkswagen said it regards developments in the automobile market in the first half of 1982 with great concern and cannot see a recovery in the first quarter of 1983. The company said the economic pickup expected in the first six months of this year had not materialized.

Report makers, previously the main pillar of the West German auto industry, showed weakness at midyear. It added in a letter to shareholders.

Volkswagen said that the weakness of European economies became increasingly noticeable and that the North American market was in an extremely poor state.

Potential customers for smaller cars are reacting to the current economic situation with caution, it said.

Fiat said that in the first six months of 1982, demand for all types of vehicles was stagnant.

## Charter Files Debentures

Reuters

WASHINGTON — Charter Co. filed with the Securities and Exchange Commission for an offering of \$100 million of dual coupon subordinated debentures, underwritten by R.F. Hutton, it was announced Thursday. The company said proceeds will be used to repay debt.

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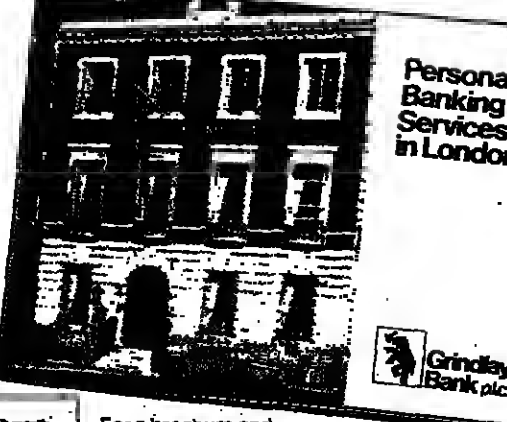
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(Continued From Back Page)

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# PEANUTS



## THE BURNING HOUSE

Reviewed by Jonathan Yardley

**ANN BEATTIE** is a writer of formidable, scary talents, and she is in rare form in several of her new books, including *The Burning House*. Her prose is as uncluttered as a cupboard in a vacant house. She sees with a clarity that admits compassion but not pity. Her writing is penetrating and selective, and she is as up-to-date as next week's Top 40 list. Her work affords

Further, Beattie is especially comfortable and comfortable with the book's story. Notwithstanding the excesses of critical applause that greeted her recent novel, "Falling in Place," she hasn't quite figured out how to sustain an extended story; in its final hundred pages or so, "Falling in Place" collapses of its own weight into what is for Beattie a most uncharacteristically contrived conclusion. As a result, the novel is, as some reviewers have described her, a "minimalist"—whose strength is brevity and who seems most at ease

herself when loose ends are left untied; as a result she is more suited to the form of the story than that of the novel. A few of her stories — my favorites are "Shifting," from "Scenes from a Marriage," "The Little Prince," "Waltz," from the current collection — nudge right up to the borders of real artistry.

**Fine Talents**

So here we have this brilliant writer — yes, brilliant — who though only in her early 30s has already produced five prize-winning books. Yet this body of work suggests nothing so much as that she is all dressed up with nowhere to go. Over and over again, we see her get jalows in and the same

**'Eye-Opening'**

But it is impossible to dismiss her. When she takes the trouble to infuse her story with genuine energy, the result can be eye-opening. In the aforementioned "The Cinderella Woman," she produces four "z." shopaholic who has real problems that are resolved, or left unresolved, in an entirely real way. The narrator is a woman who is dis-

Though Beattie is widely regarded as a "bookend" writer for the generation that came of age during the '60s, her strongest literary influence appears to be that chronicler of 50's suburban angst, John Cheever. Literally and figuratively, Cheever's people are the parents of Beattie's. Her settings are much the same as his — the wealthier precincts of suburban Connecticut, Manhattan, Los Angeles, Charlottesville — and so are her subjects: domestic entanglements and disappointments from marriage to divorce, with pregnancies and affairs and separations as way stations between them. Where Cheever's people fled into martinis and Chivas Regal, hers find escape routes in white wine (gallons and gallons of it) and Valium.

Beattie's characters are all their brand-

forced from her husband, who left her after acknowledging his homosexual tendencies. Their daughter, who is nine years old and precociously worldly-wise ("Children seem older now"), is the one that keeps them bound together and leads to the woman's close friendship with her ex-husband's male lover. "It seems perfectly logical that he should come alone to talk — perfectly logical until I actually see him coming up the walk. I can't entirely believe it." A year after my husband left me, I am sitting with his lover — a man, a person I like quite well — and trying to explain to her why I can't go to work," Beattie understands that the situation is in more or less equal measures funny and sad; her accomplishment is that she also makes it believable and true.

It is therefore more than slightly ironic that "The Cinderella Woman," one of the more successful of which Broadway's characters behave in a demonstrably adult manner, should end with the narrator wondering "if Milo and Bradley and I haven't been playing house, too — pretending to be

The narrowness of her fiction is quite remarkable. It conveys no awareness that there is a larger world than that inhabited by these bored, haphazardly educated, half-stoned post-collegians, named Justin and Jason and Amy and Holly who lie

adults." Certainly that is applicable, though, to most of the others who slouch through these pages. Their fondest memories are those from childhood, when life was less complicated and demanding, and their fondest desire is to return to that easy innocence; failing that, they complacently continue their childish ways—avoiding commitment, responsibility and challenge, consoling themselves with the morally bankrupt cop out that "what will happen can't be stopped." They are unlikely to find a more observant or perceptive chronicler than Ann Beattie, but there is precious little in what she writes to persuade us that they are worth such attention. It is difficult that the unpleasant conclusion that a marvelous writer is simply wasting much, if not all, of her time.

*Jonathan Yardley is on the staff of The Washington Post.*

## BRIDGE

By Alan Truscott

It is popularly supposed, wrongly, that the player who finds himself dummy is always quite relaxed. It is true that he does not have an active role to play, and if he thinks he should have he becomes a quinsie. These

who persistently ask questions such as "Having no hearts?" without strong reason to suspect a revoke simply during the play under discussion.

The other buzzer is often a prey to strong emotion as the play progresses. If it appears that his bidding decision was in error, he must present some explanation for the post-mortem.

"I know we could have had 800," announced North brazenly in the post-mortem. "But I prefer 1,310."

ly naturally, she continued to five spades over East's five diamonds. Looking at all four hands it can be seen that a double would have been preferable. This nets 500 points, including two heart ruffs. Five spades can be beaten by a double.

can be beaten by a club lead.

However, five spades proved right in practice because East promised four diamonds — so promptly and confidently that North now had doubts about whether the spade ace would take a trick in defense. So, instead of doubling and collecting 800 points, the card was on six spades, which East was happy to lead.

♠ E54	EAST
♥ Q10	♣ 7
♦ A934	♥ K3
♠ K65	♣ A98942
♥ Q1073	♠ K5

SOUTH (D)

♣ K9852

♥ —

♦ J73

♠ —

48542  
 East and West were vulnerable. The bidding:  

South	West	North	East
2♠	Dbl.	4♠	5♣
Pass	Pass	5♣	6♣
Pass	Pass	6♣	Dbl.
Pass	Pass		

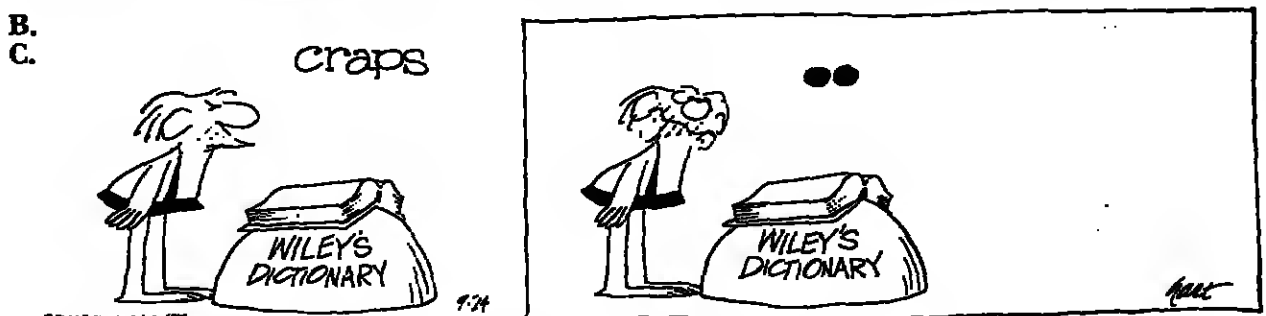
 West led the diamond 6-

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(1)	Bank of Uri	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Schwyz	£F 60.00	(1)	Bond	£F 22.00
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(1)	Bank of Schwyz	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Unterwalden	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Zug	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Fribourg	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Valais	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Vaud	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Neuchâtel	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Fribourg	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Glarus	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Appenzel A.O.	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Appenzel A.U.	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of St. Gallen	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Graubünden	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Ticino	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Uri	£F 60.00	(1)	Bond	£F 22.00
(1)	Bank of Schwyz	£F 60.00	(1)	Bond	£F 22.00
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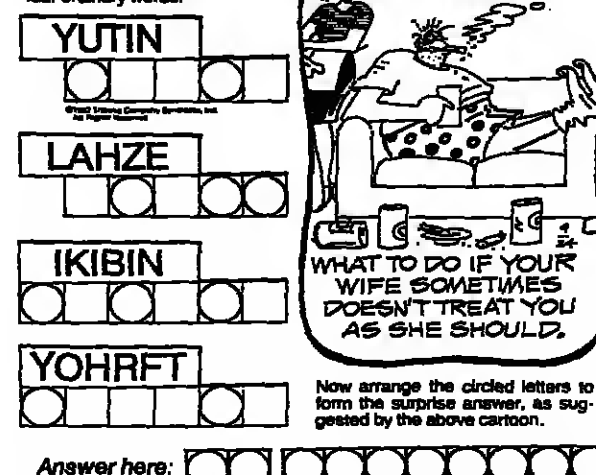


**DONESBURY**



## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Yesterday's Jumbles: KINKY ALIAS WOEFUL HUNGRY  
 Answer: Why the veteran politician decided not to run for office anymore—  
 HE COULD ONLY WALK

## DENNIS THE MENACE



"DO YOU BELIEVE THIS?... MY MOM THINKS SHE'S FAT AND MR. WILSON THINKS HE ISN'T!"

Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris

## هكذا من الأهل







